
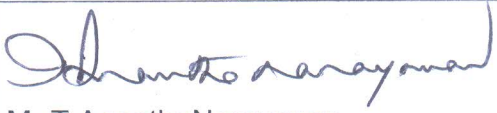


Compliance under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

FORM A (for audit report with unmodified opinion)

1.	Name of the Company:	Allsec Technologies Limited
2.	Annual financial statements for the year ended	31st March 2016
3.	Type of Audit observation	Un-modified
4.	Frequency of observation	Not applicable
5.	To be signed by-	
	Managing Director /CEO	 R. Jagadish
	Chief Financial Officer	 K. Narasimhan
	Auditor of the company S.R.Batliboi & Associates LLP Chartered Accountants ICAI Firm Registration Number: 101049W/E300004	 Aniruddh Sankaran Partner Membership No.:211107
	Audit Committee Chairman	 Mr. T. Anantha Narayanan



**ALLSEC
TECHNOLOGIES
LIMITED**

Annual Report
2015 - 16



Board of Directors

Mr. T. Anantha Narayanan
Dr. Krishnakumar Srinivasan
Ms. Lalitha Sankaran
Mr. C. Jayaram
Mr. D. Padmanabhan
Mr. Manish Gaur
Mr. Kapil Modi
Mr. A. Saravanan
Mr. R. Jagadish

Chairman
Director
Director
Director
Director
Investor Nominee
Investor Nominee
Promoter Director
Director & CEO

Management Team

Mr. R. Vaithyanathan
Mr. K. Narasimhan
Mr. C. Mahadevan
Mr. Saravanan Thambusamy

Senior Vice President - Operations & HR
Vice President - Finance
Vice President - HR BPO
Vice President - Technology

DGM Legal & Company Secretary

Mr. A. Mohan Kumar

Auditors

S.R. Batliboi & Associates
Chartered Accountants
Chennai

Registered Office

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

Corporate Office

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

Bankers

- Canara Bank
- HDFC Bank

Registrars & Transfer Agents

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



Notice of Annual General Meeting	03
Financial Highlights	12
Directors' Report	13
Annexures to Directors Report	19
Auditors' Report	51
Standalone Financials	56
Auditors Report on Consolidated Financials	88
Consolidated Financials	90



Notice is hereby given that the 17th Annual General meeting of the Shareholders of **ALLSEC TECHNOLOGIES LIMITED** will be held at 3.30 P.M. on Thursday, the 11th Day of August 2016 at Narada Gana Sabha, Mini Hall, 314, TTK Salai, Alwarpet, Chennai 600 018 to transact the following business:

Ordinary Business:

- 1) To consider and adopt the Standalone and Consolidated Balance Sheet as at 31st March 2016 and the Profit and Loss Account for the period ended 31st March 2016 along with the Schedules, the report of the Directors and Auditors thereon.
- 2) To appoint a Director in the place of Mr. R Jagadish (DIN: 00033589) who retires by rotation and being eligible, offers himself for re- appointment.
- 3) To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution;

“RESOLVED THAT M/s Walker Chandiok & Co LLP (ICAI Firm Registration No.:001076N / N500013), Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office for a period of five years on such remuneration as may be decided by the Board of Directors plus reimbursement of actual travel and other out-of-pocket expenses.”

Special Business:

- 4) To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, read with Chapter XIII & Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force, the consent of the company be and is hereby accorded to the re-appointment of Mr. R. Jagadish (DIN: 00033589) as Whole Time Director for a further period of 3 years from 1st April 2016 to 31st March 2019 on payment of remuneration as set out below:

- a. Monthly Salary : Rs. 4,50,000/- per month
- b. Special Allowance : Rs. 2,50,000/- per month
- c. Perquisites: Perquisites shall include Chauffeur driven fully maintained car, Telephone at residence, Mobile phone/s, Medical reimbursement for self and dependent family members, personal accident insurance, medical insurance for self and dependent

family members, club fees, etc., at actuals. Value of perquisites shall be evaluated as per Income Tax Rules, wherever applicable or as determined based on actual usage declared as the case may be.

- d. Commission: In addition to Salary, Special Allowance and Perquisites, Commission will also be payable as may be decided by the Board of Directors of the Company provided that the total Remuneration including commission does not exceed the ceiling limit laid down under the Companies Act, 2013 or such other terms as may be sanctioned by the Central Government.”
- e. Annual Increase: Not exceeding 10% per annum of Monthly Salary and Special Allowance (a & b above), provided it is within the ceiling limit as provided under Companies Act 2013 and relevant schedules.

“RESOLVED FURTHER THAT Mr. R. Jagadish, Whole Time Director shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration:

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- c) Encashment of leave at the end of the tenure.”
- 5) To appoint Mr. C. Jayaram as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI Listing obligations and Disclosure Requirements, Mr. C. Jayaram (DIN:00012214), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold



office for 5 (five) consecutive years with effect from 11th August, 2016".

- 6) To appoint Mr. D. Padmanabhan as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI Listing obligations and Disclosure Requirements, Mr. D. Padmanabhan (DIN: 00265865), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (five) consecutive years with effect from 11th August, 2016".

NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- 2) The proxies appointed, should bring their attendance slips sent herewith, duly filled in, for attending the meeting.
- 3) The Register of Members of the Company and Transfer Books thereof will be closed from August 4, 2016 to August 11, 2016 (both days inclusive).
- 4) The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS facility is available. Hence, the members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, ECS mandates, power of attorney, change of address/

name, etc., to their depository participant only and not to the Company's Registrar and Transfer Agent. Changes intimated to the depository participant will help the Company and its Registrars to provide efficient and better services to the Members.

- 5) As per the Circular No.17/95/2011 CL-V dated 21st April, 2011 issued by the Ministry of Corporate Affairs, to facilitate the Green Initiative in the Corporate Governance, share holders are allowed to receive the Notice / Documents like Annual report, etc through electronic mode i-e: to their e-mail address registered with the Company/ Depository participant.
- 6) In line with the above initiative by the Ministry of Corporate Affairs, all the members are requested to update their email address on their respective depository account with the depository participant to provide better service at all times.
- 7) Electronic copy of the Notice of the 17th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 17th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Voting through electronic means

- 8) The Company has provided 'remote e-voting' facility, the instructions of which is given in the following paragraphs. Also a facility for voting through ballot/ polling paper shall also be made available at the venue of the 17th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
- 9) The Company has appointed M/s Srinivasan & Shankar, Chartered Accountants, Chennai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. In terms of requirements of



the Companies Act, 2013 and the relevant Rules, the Company has fixed August 4, 2016 as the 'Cut-off Date'. The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. August 4, 2016 only.

INSTRUCTION FOR E-VOTING

I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company / Depository Participants (s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to

retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email



mani@srinishankar.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

(B) In case of Members receiving physical copy of Notice [for Members whose mail IDs are not registered with the Company / Depository Participants(s)]:

- i. E-Voting Event Number - XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- II. **Instructions for Voting at AGM:** The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; how ever those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

- a. In case of any query and / or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Karvy Computer share Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachi bowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 - 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio

which may be used for sending future communication(s).

- c. The remote e-voting period commences on August 8, 2016 (9 A.M. IST) and ends on August 10, 2016 (5 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4th August 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 4th August 2016.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 4th August 2016, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "For got Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.



- iii. Member may call Karvy's toll free number 1800-3454-001.
- iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN / ATTENDANCE REGISTRATION

2. Web Check-in / Attendance Registration: Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration / entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

- a. Log on to <https://karisma.karvy.com> and click on "Web Checkin for General Meetings (AGM/ EGM / CCM)".
- b. Select the name of the company: Name of the Company.
- c. Pass through the security credentials viz., DP ID / Client ID / Folio no. entry, PAN No & "CAPTCHA" as directed by the system and click on the submission button.

- d. The system will validate the credentials. Then click on the "Generate my attendance slip" button that appears on the screen.
- e. The attendance slip in PDF format will appear on the screen. Select the "PRINT" option for direct printing or download and save for the printing.
- f. A separate counter will be available for the on line registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.
- g. After registration, a copy will be returned to the Member.
- h. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e., August 8, 2016 (9 A.M. IST) to August 10, 2016 (5 P.M. IST).
- i. The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

By Order of the Board

A. Mohan Kumar

Company Secretary

Place: Chennai

Date : 20th May, 2016

Registered Office:

7H, Century Plaza, 560-562,

Anna Salai,

Teynampet, Chennai 600 018.



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

ITEM NO. 4

Mr. R. Jagadish is the CEO of the Company and is in-charge of the overall day-to-day operations of the company, delivery and client servicing initiatives. Mr. R. Jagadish is a Co-Promoter of the Company.

Mr. R. Jagadish was re-appointed as a Whole Time Director of the Company for a period of 3 years with effect from 1st April, 2013 with remuneration of not exceeding Rs. 10,56,000/- by the board and the shareholders through Postal ballot. Subsequently, the approval of Central government was sought as profits were inadequate for the year. The Central Government vide its approval letter dated 10th January 2014 revised the remuneration to Rs. 7,00,000/- per month, which was complied with and given effect from 1st April, 2013.

The earlier term of appointment of Mr. R. Jagadish was from 1st April, 2013 to 31st March 2016 and the approval of shareholders is sought for re-appointing him for a fresh term of three years.

The members of Nomination and remuneration committee and the Board of Directors have considered the re-appointment of Mr. R. Jagadish as Whole Time Director for a further period of 3 years from 1st April 2016 with the remuneration as detailed in the notice of this meeting.

As per Sec. 197 (4), a Whole Time Director may be re- appointed by the Board of Directors which shall be subject to approval by a resolution at the next general meeting of the company. Further as per Schedule V of the Companies Act, 2013 this item requires the approval by way of a Special Resolution.

As mentioned above and keeping in view of the requirement to maintain the compensation levels in line with the industry standards, the approval of the shareholders is sought by way of special resolution for payment of remuneration and re-appointment of Mr. R. Jagadish as whole time director of the Company as per the terms specified in the resolution No.4.

ITEM NO. 5

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company Mr. C. Jayaram as an Additional Director of the Company with effect from May 20th, 2016.

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

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

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

The Company has received a declaration from Mr. C. Jayaram that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16 of SEBI (Listing obligations and disclosure requirements) Mr. C. Jayaram possesses appropriate skills, experience and knowledge, inter alia, in the field of finance.

In the opinion of the Board, Mr. C. Jayaram fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. C. Jayaram is independent of the management.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. C. Jayaram be appointed as an Independent Director.

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

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

None of the directors except Mr. C. Jayaram is concerned or interested in the resolution.

ITEM NO. 6

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company Mr. D. Padmanabhan as an Additional Director of the Company with effect from May 20th, 2016.



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

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

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

The Company has received a declaration from Mr. D. Padmanabhan that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16 of SEBI (Listing obligations and disclosure requirements)

Mr. D. Padmanabhan possesses appropriate skills, experience and knowledge; inter alia, in the field of finance.

In the opinion of the Board, Mr. D. Padmanabhan fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. D. Padmanabhan is independent of the management.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. D. Padmanabhan be appointed as an Independent Director.

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

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

None of the directors except Mr. D. Padmanabhan is concerned or interested in the resolution.



Annexure to Item No.4 of the Notice

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

Name of the Director	Mr. R. Jagadish
Date of Birth	05-May-1962
DIN	00033589
Date of Appointment on the Board	24-August-1998
Qualifications	B.Sc. (Physics), Chartered Accountant from Institute of Chartered Accountant of India and a Management Accountant from the Institute of Management Accountants, London
Shareholding in Allsec	3036952 Equity shares of Rs.10/- each (19.93 % on the paid-up capital)
List of Directorship held in Companies	Allsec Technologies Limited Allsectech Inc., USA Allsectech Manila Inc., - Philippines
Nature of expertise in specific functional areas	He has over 28 years of experience in Enterprise creation and corporate Management, which he has effectively used whilst being the co-promoter of the Allsec Group of Companies. He has been managing the operations of the Allsec Group of Companies for 18 years and has handled departments like merchant banking, investment banking, treasury operations, portfolio management and debt syndication. Prior to setting up the Allsec Group of Companies, he worked for Ashok Leyland for four years in various departments including management information systems, budgets and planning & treasury. As the Chief Executive Officer and Whole Time Director, he is responsible for the day to day operations of the Company.

A. Mohan Kumar
Company Secretary

Place : Chennai
Date : 20th May 2016

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



Annexure to Item No.5 & 6 of the Notice

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

Name of the Director	Mr. C. Jayaram	Mr. D. Padmanabhan
Date of Birth	18.04.1956	26.01.1963
DIN	00012214	00265865
Date of Appointment on the Board	20th May 2016	20th May 2016
Qualifications	B.A (Economics), PGDM IIM Kolkata	B.Sc., Maths
Shareholding in Allsec	NIL	NIL
List of Directorship held in Companies	Kotak Mahindra Bank Ltd. Kotak Securities Ltd. Kotak Mahindra Asset Management Co. Ltd.	Clover Greens Pvt. Ltd. Bougain Villa Estates Pvt. Ltd. Appnomic System Pvt. Ltd. Obopay Mobile Technology India Pvt. Ltd.
Nature of expertise in specific functional areas	Mr. C. Jayaram has varied experience of over 37 years in many areas of finance and business and was earlier the Managing Director of Kotak Securities Limited. He has been with Kotak Group for 25 years and has been instrumental in building a number of new businesses at Kotak Group. Prior to joining the Kotak, he was with Overseas Sanmar Financial Ltd.	Mr. D. Padmanabhan is the CEO & Founder of Appnomic Systems, a leader in application performance management space. He has also founded Clover Greens in Bangalore and has acquired Obopay, a very early player in the mobile money technology in the US. Mr. Padmanabhan has about 30 years experience in the software field. He has expertise in the areas of Performance engineering, high volume OLTP system design, Core banking product architecture, design and development.

A. Mohan Kumar
Company Secretary

Place : Chennai
Date : 20th May 2016

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

Financial Highlights



ALLSEC TECHNOLOGIES LIMITED

(Rs. in Lakhs)

S. No	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
A	Profit and Loss Account										
	Revenue	10836	9747	10674	10747	12471	14154	12208	9649	9901	11327
	Gross Profit before Interest, tax, depreciation & amortisation (EBITDA)	1525	486	1329	736	(328)	686	370	180	(240)	3640
	Profit before taxation	1245	(130)	543	(333)	(1470)	(394)	(681)	(702)	(1105)	2807
	Profit after taxation	948	(174)	543	(333)	(1470)	(394)	(681)	(722)	(1355)	2813
B	Balance Sheet										
	Net fixed assets	745	927	1769	2384	3131	3588	3569	2666	2914	2904
	Investments	6724	5282	6179	3532	3118	4252	2715	4538	7932	8847
	Net current Assets	4966	5302	4161	5650	5762	5775	7644	7210	4243	4986
	Total Assets	12435	11511	12109	11567	12011	13616	13930	14414	15090	16738
C	Share Capital	1524	1524	1524	1524	1524	1524	1524	1524	1524	1524
	Reserves & Surplus	10876	9928	10496	9954	10287	11755	12150	12831	13529	15427
	Net worth	12400	11452	12021	11478	11811	13279	13674	14355	15053	16951
	Loan funds	35	59	88	89	200	337	256	59	37	15
	Deferred tax (Net)	-	-	-	-	-	-	-	-	-	(228)
C	Total Liabilities	12435	11511	12109	11567	12011	13616	13930	14414	15090	16738
	EPS (in Rs)	6.2	(1.1)	3.5	(2.1)	(9.6)	(2.5)	(4.4)	(4.7)	(8.9)	20.0
	Diluted EPS (in Rs)	6.2	(1.1)	3.4	(2.1)	(9.6)	(2.5)	(4.4)	(4.7)	(8.9)	19.9
	Book Value per share	81.36	75.14	78.88	75.33	77.50	87.15	89.74	94.20	98.70	111.20
	Return on Capital Employed (ROCE in %)	10%	(1%)	4%	(3%)	(12%)	(3%)	(5%)	(5%)	(7%)	17%
C	Return on Networth (RONW in %)	10%	(1%)	5%	(3%)	(12%)	(3%)	(5%)	(5%)	(7%)	17%
	Fixed Assets Turnover (No of times)	14.54	10.51	6.03	4.51	3.98	3.94	3.42	3.62	3.40	3.90
	Working Capital Turnover (No of times)	2.2	1.8	2.6	1.9	2.2	2.4	1.6	1.3	2.3	2.3



Directors Report

The Directors take pleasure in presenting to you the 17th Annual Report of the company covering the financial year ended 31st March 2016.

FINANCIAL HIGHLIGHTS

(Rs. In Lakhs)

PARTICULARS	STANDALONE			CONSOLIDATED		
	YEAR ENDED MAR 31, 2016	YEAR ENDED MAR 31, 2015	Y-o-Y % F / (A)	YEAR ENDED MAR 31, 2016	YEAR ENDED MAR 31, 2015	Y-o-Y % F / (A)
INCOME FROM SERVICES	10,836	9,747	11%	23,338	15,086	55%
TOTAL COSTS	9,563	9,497	1%	19,949	16,000	25%
OPERATING MARGIN	1,273	250	409%	3,389	(914)	
OTHER INCOME	252	236	7%	803	873	(8%)
EBIDTA	1,525	486	214%	4,192	(41)	
EBIDTA (%)	14%	5%		18%	-	
DEPRECIATION	503	667	(25%)	755	1,101	(31%)
INTEREST EXP /(INCOME)	(223)	(51)	337%	(16)	91	
PROFIT/(LOSS) BEFORE TAX	1,245	(130)		3,453	(1,233)	
PROFIT/(LOSS) AFTER TAX	948	(174)		3,094	(1,406)	
CASH PROFIT	1,451	493	194%	3,849	(305)	

Business Outlook

HR BPO division is a vertical which has been growing organically for us and this will continue in the coming years too. Our plans to expand HR BPO to new geographies have yielded results and we have added more clients in Philippines as well as in the Middle East during 2015-16. Marketing efforts will be increased for business development in destinations like Philippines, Asia, Middle East, UK and in the US in the coming year. We believe HR BPO business will be a significant revenue generator for your Company in the next few years.

Your Company has also progressed well in the Domestic business during the year. Pricing in the market has been increasing gradually. We now have good capacity utilization in this business at rates which are much higher than what we were getting 2 years back. The plan is to keep looking for strategic contracts where we can command higher rates and improve margins.

Exports revenue has remained as in previous year. The International outsourcing division continues to be affected by the global slowdown and we are actively pursuing

targets both by increasing the sales force as well as increase the marketing efforts by doing more targeted marketing. Through increased marketing efforts and focus in additional geographies we believe we will have growth in this business.

Overall financial performance of your Company has improved substantially during this year. Profit before Interest, Depreciation and Tax (EBIDTA) has increased from INR 486 lakhs last year to INR 1525 Lakhs (214%). Your company has reported Net profit after tax for the current year at INR 948 lakhs as compared to Net loss after tax of INR 174 lakhs for the previous year. Detailed analysis of the Standalone results forms part of the Management Discussion and Analysis (MDNA) report provided in Annexure C of the Directors Report.

Consolidated results of your Company have shown growth due to improved performance of all the entities during the year. There has been an increase in Standalone profits in India & Manila and substantial increase in US Operations resulting in a much improved performance. Consolidated Revenues has increased to INR 23338 lakhs from INR



15086 lakhs in the previous year. Consolidated Profit before Interest, Depreciation and Tax (EBIDTA) was at INR 4192 lakhs as against a loss of INR 41 lakhs last year. Your company has reported Net profit after tax for the current year at INR 3094 lakhs as compared to Net loss after tax of INR 1406 lakhs for the previous year.

The company is continuing to pursue growth through the Organic route and sees very good traction for growth in all the entities. The company has delivery centers in India, Manila and in US for the international segment and has Domestic delivery centers in three major cities in India.

Dividend

The Board of Directors of your Company cannot recommend any dividend for the Financial Year 2015-16 in view of the accumulated losses.

Deposits

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

Directors

Mr. S. Prem Kumar, a Director on the Board of the Company has resigned on 20th May 2016. The Board wishes to place on record its sincere appreciation for the valuable services rendered by him.

Mr. C. Jayaram was appointed as an Additional Director on 20th May 2016 and who holds office up to the date of Seventeenth Annual General Meeting of the Company and in respect of whom Notice under section 149(6) of Companies Act, 2013 has been received from members signifying their intention to propose Mr. C. Jayaram as a candidate for the office of Director and accordingly a resolution is placed before the members at the forthcoming Annual General Meeting.

Mr. D. Padmanabhan was appointed as an Additional Director on 20th May 2016 and who holds office up to the date of Seventeenth Annual General Meeting of the Company and in respect of whom Notice under section 149(6) of Companies Act, 2013 has been received from members signifying their intention to propose Mr. D. Padmanabhan as a candidate for the office of Director and accordingly a resolution is placed before the members at the forthcoming Annual General Meeting.

Mr. A. Saravanan, who was originally appointed as Whole time Director for 3 years by the shareholders through Postal Ballot on 15th March 2013, was deputed to your Company's subsidiary Retreat Capital Management Inc, USA with effect from 1st April 2014

and has been rendering his services predominantly from USA. As per the Companies Act 2013, a Whole Time Director needs to be a resident in India; hence Mr. A. Saravanan is being re-designated as Promoter Director.

Mr. R. Jagadish, Director retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Key Managerial Personnel

The Key Managerial Personnel of Allsec Technologies Limited are:

1. Mr. R. Jagadish - Chief Executive Director
2. Mr. A. Mohan Kumar - Company Secretary
3. Mr. K. Narasimhan - Chief Financial Officer

Employees

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

Corporate Governance

Your Company is fully compliant with the requirements under SEBI (LODR) Regulations 2015. The report on Corporate Governance is given in Annexure A.

Certificate from Auditors confirming the compliance of conditions of Corporate Governance is included in Annexure B. CEO/CFO certification is attached in Annexure H.

In terms of regulation 34 of Securities and Exchange Board of India (Listing obligations and disclosure requirements) regulations 2015, the Management Discussion and Analysis report is given in Annexure - C.

Subsidiary Companies

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

The Consolidated Financial statements of the company and its subsidiaries prepared in accordance with Accounting Standards AS 21 and forms part of this Annual Report and accounts.



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

The Company monitors performance of subsidiary companies (list of subsidiary companies has been provided in the financial statements), inter-alia, by the following means:

- a) The Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary.
- b) The Audit Committee reviews the financial statements, in particular, the investments made by the subsidiary companies.
- c) Your Company has formulated a Policy on Material Subsidiary as required under Regulation SEBI (LODR) and the policy is hosted on the website of the Company under the web link <http://www.allsectech.com/Allsec/investor-information.aspx>

Compliance under Companies Act, 2013

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

Extract of Annual Return

An Extract of the Annual Return as of 31st March 2016, pursuant to the sub section (3) of Section 92 of the Companies Act 2013 and forming part of the report is attached in Annexure D.

Board Meetings held during the year

During the year, 4 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as Annexure-A to this Report.

Directors' responsibility Statement

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

Your Directors confirm the following that:

- (i) In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The directors had prepared the annual accounts on a going concern basis.
- (v) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (vi) Proper systems were in place so as to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively

Independent Directors and Board Evaluation

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

Independent Directors, considered / evaluated the performance of the non-independent Directors at a meeting without anyone from the non-independent Directors and Management.

The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant director)

Familiarisation Programme

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



Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Company's policy on appointment and remuneration including criteria for determining qualifications, positive attributes, and independence are provided in the Corporate Governance Report forming part as an Annexure-A to this Report.

Related Party Transactions

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

All the Related Party Transactions that were entered into by the Company during the financial year 2015-16, were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee for their prior approval in accordance with the requirements of the SEBI (LODR) Regulation 2015. The transactions entered into pursuant to such approval are placed periodically before the Audit Committee.

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

Details of the transaction are provided in Form AOC-2 which is attached as Annexure-F to this Report.

Risk Management Policy

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

The purpose of the policy is to achieve the Company's objectives in a dynamic environment as well as to effectively manage the risks arising and associated with its business. A Structured Risk Management framework

has been put in place covering various risks involved, and to ensure that the risks attributed to the Company are identified, analyzed, and mitigated.

Vigil Mechanism / Whistle Blower Policy

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

Corporate Social Responsibility

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

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

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

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

Internal Financial Control and Adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

Auditors

The office of M/s. S.R. Batliboi & Associates the Statutory Auditors of the Company will expire at the conclusion of the ensuing Annual General Meeting and the Company has to appoint auditors for the Financial Year 2016-2017. In the last Annual General Meeting held on 7th August, 2015, M/s. S.R. Batliboi & Associates was appointed for a period of one year.



As per Sec. 139 (2), listed Companies and other specified Companies can appoint Audit firms as their statutory auditors for two terms of five Consecutive years. If at the Commencement of the Act (ie: 1.4.2014), the said audit firm has already completed 10 years, then the Company shall appoint a new Audit firm to comply with the requirement of Sec 139 within a period of 3 years (on or before 31st March 2017).

The Management felt that it is prudent to make a change of audit firm in this year itself and the Board recommends the appointment of M/s. Walker Chandio & Co LLP as the Statutory Auditors of the Company for a period of 5 years from the conclusion of this Annual General Meeting.

The Company has received necessary certificate from M/S. Walker Chandio & Co LLP under Sections 139 and 141 of the 2013 Act, to the effect that they satisfy the conditions under the 2013 Act and the rules made thereunder for the above appointment. As required under the SEBI (LODR) Regulations 2015, the Statutory Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Comments on Auditors' report

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

Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2016 and May 20, 2016 (date of the Report)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2016) and the date of the Report (May 20, 2016).

Secretarial Audit

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

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

During the year there is no change in the status of any subsidiary.

Quality & Information Security

The vision of Quality and Information security at Allsec is to institutionalize excellence in quality of services and security of data of Clients, customers and Organization by developing and deploying simple, efficient and effective processes using the latest Quality models in accordance with ISO 9001:2008 interlined with data security controls prescribed by International standards such as ISO 27001:2013. ISO 9001:2008 (Quality Management System) & ISO 27001:2013 (Information Security Management) have been renewed at Chennai location and ISO 27001:2013 has been renewed for the Manila location. PCI DSS compliance certifications are renewed at Chennai and Manila locations during the year. Also this year we have got certified for ISO 27001:2013 at the Dallas Location. Further, existing ISAE 3402 which is a graduated version of SAS 70 Type II certification for the HRO business has been renewed.

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

The details are given in Annexure –G to Directors Report

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

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

Particulars	INR Lakhs
Earnings in Foreign Currency	3719
Expenditure in Foreign Currency	405
Interest received	78
Dividend received	13



Investor Services

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

The investor Information section of the Website of the Company (www.allsectech.com), furnishes important financial details and other data of frequent reference by the investors. The Company also has a Shareholders / Investors Relation Committee to address shareholders grievances if any and resolve them as & when they are reported. The Company has provided an exclusive email id: investorcontact@allsectech.com for the investors to facilitate the redressal of the queries and complaints of the investors.

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

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

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

Acknowledgement

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

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

For and on behalf of the Board of Directors

A. Saravanan
Director

R. Jagadish
Director

Place : Chennai

Date : 20th May 2016



REPORT ON CORPORATE GOVERNANCE

A. Mandatory Requirements

1. Company's Philosophy:

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

2. Board of Directors:

The Board comprises of a Non-executive Director as Chairman, a Director & CEO and 7 Non-Executive Directors.

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

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

During the year 2015 - 2016, 4 Board Meetings were held on 20th May 2015, 07th August 2015, 05th November 2015 and 12th February 2016.

Name	Designation	Category	Attendance		Other Board	
			Board Meeting	Last AGM	Director-ships #	Committee Member-ships \$
T. Anantha Narayanan	Chairman	Independent Non-Executive	4	Yes	2	4
Krishnakumar Srinivasan	Director	Non Independent Non-Executive	3	Yes	-	-
S. Premkumar*	Director	Independent Non-Executive	1	Yes	4	-
Manish Gaur	Director	Investor Nominee - Non-Executive	3	Yes	1	-
Kapil Modi	Director	Investor Nominee - Non-Executive	3	Yes	-	-
C. Jayaram**	Director	Independent Non-Executive	-	NA	3	-
D. Padmanabhan**	Director	Independent Non-Executive	-	NA	-	-
Lalitha Sankaran	Director	Independent Non-Executive	4	Yes	-	-
A. Saravanan	Director	Promoter Non-Executive	4	Yes	-	-
R. Jagadish	Director & CEO	Non-Independent Executive	4	Yes	-	-

Excluding Private Limited Companies, Foreign Companies, Section 8 Companies.

\$ Includes membership in Audit Committee and Share holders/Investor Relation committee only.

*Resigned on 20th May 2016.

**Appointed as Additional Director on 20th May, 2016.

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

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

Code of Conduct for Directors and Senior Management

The Code of Conduct for the Directors and Senior Management of the Company is available on the Company's website: <http://www.allsectech.com/Allsec/investor-information.aspx>. All the Board members and

the Senior Management Personnel have confirmed the Compliance with the Code.

3. Audit Committee:

The Audit Committee presently consists of Independent and Non-Independent directors. The Committee currently comprises of Mr. T. Anantha Narayanan, Mr. C. Jayaram, Mr. D. Padmanabhan, Mr. R. Jagadish and Ms. Lalitha Sankaran. The composition of the Audit Committee complies with the requirements of Regulation 18 of the SEBI (LODR) Regulations 2015. During the year, 4 Audit Committee meetings were held on 20th May 2015, 7th August 2015, 5th November 2015 and 12th February 2016.



Name	Category	Status	Attendance
T. Anantha Narayanan	Independent Non - Executive	Chairman	4
S. Premkumar	Independent Non - Executive	Member	1
Ms. Lalitha Sankaran	Independent Non - Executive	Member	4
C. Jayaram*	Independent - Non Executive	Member	-
D. Padmanabhan*	Independent - Non Executive	Member	-
R. Jagadish	Non Independent - Executive	Member	4

* Appointed as Additional Director and inducted into the Committee on 20th May, 2016.

4. Nomination and Remuneration Committee:

The Compensation committee presently consists of Independent and Non-Independent directors. The Committee currently comprises Mr. C. Jayaram, Mr. T. Anantha Narayanan, Ms. Lalitha Sankaran & Mr. A. Saravanan.

The objective of the Committee is

- To Formulate Remuneration Policy
- Formulate criteria for evaluation of Directors and the Board.
- To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Identify persons who are qualified to become Directors and those who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Grant of stock options under the Employees Stock Option Scheme and perform other functions of compensation committee as required/ recommended by SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999.

- Other functions of a Remuneration Committee as required / recommended in the SEBI (LODR) Regulations 2015.

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

Executive Director (Rs. In Lakhs)

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

Non-Executive Directors (Rs. In Lakhs)

Name of Director	Sitting Fees	
	Board	Audit Committee
T. Anantha Narayanan	0.80	0.80
Manish Gaur	-	-
Kapil Modi	-	-
Krishnakumar Srinivasan	0.60	0.20
Lalitha Sankaran	0.80	0.60
S. Premkumar	0.20	0.20

5. Stakeholders Relationship Committee:

The composition of the Stakeholders Relationship Committee complies with the requirements of Regulation 20 of SEBI (LODR) Regulations 2015.

The Stakeholder Relationship Committee presently consists of Mr. T. Anantha Narayanan, Mr. A. Saravanan and Mr. R. Jagadish. During the year, no Committee meetings were held.



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

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

The details of investor complaints during the year 2015-2016 are:

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

6. Independent Directors Meeting:

A Meeting of the Independent Directors was held on 29th March 2016 in accordance with the clause 149(8) of the Companies Act to review the performance of the Non-Independent Directors.

7. Corporate Social Responsibility Committee:

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

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

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

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

The committee formulated and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company which are specified under the companies act 2013.

8. General Body Meetings:

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

Financial Year	Date	Time	Venue
2012-13	August 12, 2013	10.00 A.M.	Narada Gana Sabha, 314, TTK Salai, Alwarpet, Chennai 600 018

2013-14	August 14, 2014	10.00 A.M.	Narada Gana Sabha, 314, TTK Salai, Alwarpet, Chennai 600 018
2014-15	August 07, 2015	10.00 A.M.	Narada Gana Sabha, 314, TTK Salai, Alwarpet, Chennai 600 018

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

1. No Special Resolution was passed in the AGM held on 12th August 2013.
2. No Special Resolution was passed in the AGM held on 14th August 2014.
3. No Special Resolution was passed in the AGM held on 07th August 2015.

III. Extra-Ordinary General Meetings:

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

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

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

i. At the EGM dated 12th October, 2006

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



- ii. At the EGM dated 21st February, 2008
 - Resolution for payment of remuneration and re-appointment of Mr. A. Saravanan, Whole Time Director.
 - Resolution for payment of remuneration and re-appointment of Mr. R. Jagadish, Whole Time Director.
- iii. At the EGM dated 8th March, 2010
 - Resolution for payment of remuneration and re-appointment of Mr. A. Saravanan, Whole Time Director.
 - Resolution for payment of remuneration and re-appointment of Mr. R. Jagadish, Whole Time Director.

IV. Postal Ballot

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

For payment of remuneration and re-appointment of Mr. A. Saravanan, Whole Time Director.

For payment of remuneration and re-appointment of Mr. R. Jagadish, Whole Time Director.

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

9. Disclosures

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

All mandatory requirements of SEBI (LODR) Regulations 2015 have been complied with. The details of Non Mandatory requirements as adopted by company are furnished under Section B at the end of this report.

10. Means of Communication:

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

11. General Shareholders Information:

A. Annual General Meeting

Date and Time : 11th August 2016 at 3.30 P.M.

Venue : Narada Gana Sabha, Mini Hall, 314, TTK Salai, Alwarpet, Chennai 600 018.

B. Financial Year

The Financial Year of the Company is April - March. The results for every quarter will be declared within the time period prescribed under the SEBI (LODR) 2015.

C. Date of Book Closure

4th August, 2016 to 11th August, 2016 (Both days inclusive)

D. Listing on Stock Exchanges

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

E. Stock Code / Symbol

NSE – Scrip Code – Allsec

BSE – Scrip Code - 532633

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



Market information details for the year 2015-2016

Month	National Stock Exchange				Bombay Stock Exchange			
	Price		Indices		Price		Indices	
	High	Low	High	Low	High	Low	High	Low
Apr-15	26	21.6	8844.8	8762.1	25	20.55	29094.61	26897.54
May-15	27.5	22.2	8489.55	8420.6	27.95	23.1	28071.16	26423.99
Jun-15	33	22.1	8467.15	8405.4	33	22.05	27968.75	26307.07
Jul-15	42	28.5	8654.75	8593.15	40.25	29.55	28578.33	27416.39
Aug-15	50.95	35.55	8621.55	8552.7	50.6	35.65	28417.59	25298.42
Sep-15	78.25	41.25	8055	7955.85	78.25	41	26471.82	24833.54
Oct-15	78	60.75	8336.3	8280.75	75.75	60.5	27618.14	26168.71
Nov-15	146.05	70.75	8116.1	8031.75	145.4	71	26824.3	25451.42
Dec-15	157.9	116	7979.3	7934.15	157	115.6	26256.42	24867.73
Jan-16	149.25	93.7	7972.55	7909.8	149.2	94.6	26197.27	23839.76
Feb-16	129.8	91.55	7600.45	7541.25	127.7	90.4	25002.32	22494.61
Mar-16	121.6	90.05	7749.4	7670.6	121.6	92	25479.62	23133.18

G. Registrars and Transfer Agents

KARVY Computershare Private Limited

Unit : Allsec

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

Tel : +91 40 23420815 ; Fax: +91 40 23420814

E-mail: einward.ris@karvy.com

Website: www.karvy.com

H. Share Transfer System

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

I. Category wise distribution of equity shares as of March 31, 2016:

Category	No. of Share	% of Holding
Promoters Holding :		
Indian Promoters	6149071	40.35
Person Acting in Concert	-	-
Non Promoters Holding:		
Institutional Investors	-	-
Financial Institutions /Banks	-	-
Mutual Funds	502932	3.30
Foreign Institutional Investors	-	-
Foreign Venture Capital	4702858	30.86
Foreign Corporate Bodies	-	-
Others:		
Private Corporate Bodies	391655	2.57
Indian Public	3278498	21.51
Non Resident Indians	204880	1.34
Others	8432	0.07
TOTAL	15238326	100.00

**Distribution Schedule**

Category (Amount)	No. of Holders	% To Holders	Amount (Rs.)	% To Equity
1 - 5000	5331	87.97	5519910.00	3.26
5001 - 10000	334	5.51	2772760.00	1.82
10001 - 20000	176	2.90	2631920.00	1.73
20001 - 30000	57	0.94	1455140.00	0.95
30001 - 40000	26	0.43	926330.00	0.61
40001 - 50000	24	0.40	1124500.00	0.74
50001 - 100000	48	0.79	3526500.00	2.31
100001 & ABOVE	64	1.06	134426200.00	88.22
TOTAL	6060	100.00	152383260	100.00

J. Plant locations

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

The details of our subsidiaries are as given below:

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

K. Dematerialization of shares and liquidity

As on March 31, 2016 about 99.99% of the shares were held in dematerialized form.

L. Address for Investor Correspondence

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

Karvy Computershare Private Limited,

Unit : Allsec

Karvy Selenium Towers, No - B,

Plot No. 31-32, Gachibowli,

Financial District,

Nanakramguda, Hyderabad - 500 032

Tel : +91 40 44655000

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

Website: www.karvy.com

For General Correspondence:

Company Secretary

Allsec Technologies Limited,

46-B, Velachery Main Road, Velachery,

Chennai 600 042.

Tel.: +91 44 4299 7070 Fax: +91 44 2244 7077

E-mail : investorcontact@allsectech.com

Web site: www.allsectech.com

DECLARATION

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

All the Board Members and the Senior Management Personnel have affirmed their Compliance with the Code for the year 2015-2016.

Place : Chennai

Date : 20th May, 2016

R. Jagadish
Director & CEO



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER
AS PER THE SEBI (LODR) REGULATIONS 2015.**

AUDITORS' CERTIFICATE

To

The Members of Allsec Technologies Limited

We have examined the compliance of conditions of corporate governance by Allsec Technologies Limited (the "Company"), for the year ended on March 31, 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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

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

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

FOR S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aniruddh Sankaran

Partner

Membership No.: 211107

Place : Chennai

Date : 20th May, 2016



MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ITES INDUSTRY - DEVELOPMENTS AND OUTLOOK

Indian IT / ITES or BPM (Business Project Management) industry is estimated to grow at a rate of 8.5% in FY 2016 growing from USD 132 Bn in FY 2015 to USD 143 Bn in FY 2016. The aggregate growth rate is lower due to US Dollar strengthening against Indian Rupee bringing the domestic market growth at a mere 3.2%. Exports are likely to record a 10.3% growth to reach over USD 108 Bn up by USD 10 Bn over last year. Domestic IT BPM market is at USD 35 Bn and grew by a little over 3%.

Indian ITES (BPM) industry is steadily growing and grew by 8% in FY2016, and is expected to touch revenues of USD 28 Bn - increase of 2 Bn over previous year. BPM industry share in total IT / ITES (BPM) Industry is increasing and for the year, the share was at 20%.

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

	2013-14	2014-15	2015-16 E	% inc
BPM USD billion	23.5	26.0	28.0	8%
Exports USD billion	20.2	22.5	24.0	7%
Domestic INR billion	180	210	260	
Domestic USD billion	3.3	3.5	4.0	14%

Notes: E= Estimates figures may not add up due to rounding off.
Source: NAASCOM

Exports

BPM exports are driven by Business Process as-a-Service (BPaaS), Mobility and Advanced Analytics. It grew by 8% in FY 2016 to touch USD 24 bn as compared to USD 22.5 bn in the previous year.

Domestic

Domestic BPM segment is largely driven by BFSI, telecom and Ecommerce; also growing consumption pattern in Tier II / III Cities and rural areas is translating into opportunity for value added services. Domestic BPM industry is likely to grow over 10% to USD 4.0 Bn; from USD 3.5 Bn in the previous year.

Future Outlook

By 2020, as per NAASCOM, India's IT / ITES (BPM) industry total revenue is projected to touch USD 200 - 225 Bn and between USD 350 - 440 Bn by 2025.

Digital technologies will continue to grow at a faster pace and revenues from this will have a share of 23% in 2020 and around 38% in 2025. Lots of opportunity for the Indian service providers in this digital space, as digital technologies continues to be embedded in an ever widening range of products and services.

The dynamics of Indian ITES (BPM) industry has shifted from a cost based to a value based proposition with benefits accruing to the Client is paramount consideration than cost reduction. Indian BPM service providers have to reach out to new cadre of Customers, place more focus on customer satisfaction, and migrate processes to business process as-a-service (BPaaS) and use analytics as an integral part of their services. The future outlook for Indian BPM industry points towards new business model and expansion to new geographies, verticals and markets.

NAASCOM has projected ITES (BPM) exports to be somewhere between USD 35- 40 in the year 2020. It has projected BPM domestic business to be somewhere between USD 6.0 - 7.0 billion in the year 2020. The domestic BPM market is expected to be dominated by CIS (Customer Interaction Services) and BFSI sector in the near future.

Company Overview:

Your company is a global player with vast expertise in providing business process solutions across various industry verticals.

Your Company's solutions are testimony to the fact that Allsec is a highly customer-centric, flexible and transparent service provider. Your company believes in enhancing our client's business experience by taking process responsibility, improving cost efficiencies, and adding value through continuous process improvements and quality assurances.

OPPORTUNITIES

❖ Core Competency

The strategy of Allsec has always been to grow by developing its expertise in specific verticals. This has helped us sharpen our training & processes for specific domains enabling us to achieve domain specialization resulting in delivering quality solutions to each of our customers. Your company prides itself on its quality centric, speedy and nimble footed approach



in every client engagement. The constant focus on process improvement by automation and continuous benchmarking of delivery to improve focus, have resulted in customer satisfaction every time. Our customers stand testimony to our track record of providing outstanding customer experience and maximizing their Return on Investment. Building Lasting Relationships has always been our culture and that focus enables us to deliver enhanced business value, a culture that inspires our actions and is a part of our DNA.

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

As one of the largest outsourced payroll service providers today, Allsec manages some of the most complex pay and tax scenarios, for both global and domestic organizations from various industries. We are a market leader for payroll management and HRMS, handling thousands of employees across various industries. Our HRMS & payroll solutions, which are custom made to fit specific requirements, have benefited large, medium and small organizations alike.

Client Acquisition

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

In non-voice segment, our best in class Quality Assurance process has triggered great interest in many of the captive / outsourced centres of domestic Telecom and BFSI segment clients. Having acquired knowledge and experience of servicing in different Indian languages and with the Pan-India presence, there are enough opportunities to grow this multi fold in India over and above our efforts internationally.

HRO business division is a vertical which is growing organically for us and this will continue in the coming

years too. Our plan to expand HRO division to new geographies has been received very well and we have got good response in Phillipines as well as the middle east and other parts of Asia. We are confident of increasing our client base internationally in the coming year. The new markets in Asia and the US / UK markets will be the key growth area for the future in the HR BPO business and marketing efforts will be increased to market in destinations like UK / USA in the coming year. We believe HRO division business will continue to see a significant growth in the next few years.

Quality

The vision of Quality and Information security at Allsec is to institutionalize excellence in quality of services and security of data of Clients, customers and Organization by developing and deploying simple, efficient and effective processes using the latest Quality models in accordance with ISO 9001:2008 interlined with data security controls prescribed by International standards such as ISO 27001:2013. ISO 9001:2008 (Quality Management System) and ISO 27001:2013 (Information Security Management) have been renewed at Chennai location and ISO 27001:2013 has been renewed for the Manila location. PCI DSS compliance certifications have also been renewed at Chennai and Manila locations. We have also been certified for ISO 27001:2013 at the Dallas location. Further, existing ISAE 3402 which is a graduated version of SAS 70 Type II certification for HR BPO is renewed. Several client audits took place on information security and data privacy at all our service delivery locations and results indicated that the company accomplished required compliance with their contractual and standards requirements.

❖ Capacity

Today, your company has a pan India presence and a capacity of over 2500 seats with facilities in 3 locations which are in Delhi, Bengaluru, and Chennai. Apart from India, we also have a capacity of 600 seats in Manila and around 200 seats in USA.

We have demonstrated in the earlier years our ability in setting up new Centers to cater to ramp up decision of our clients and we are confident of achieving the same in the future as well. Our strategy of right sizing capacity to match current demand have borne fruits in the past few years and capacity utilization will continue to be the focus for any new addition / closure decisions.



THREATS

ATTRITION:

Your Company, is in an industry where attrition is one of the major concern areas. Allsec has an annual attrition of 36% (up from 33% last year) which is almost similar or slightly lower than Industry average.

The Company in the international business faces tough challenge in getting employable manpower from the available manpower pool. Allsec has been investing a lot of resources for training candidates on the basic skills that are required to make them employable. These are also done through partnering with educational institutions and governmental organization.

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

Attrition is a great problem not only for Allsec but for the whole industry. To overcome attrition, Allsec is taking a number of measures including Mentor-Mentee system, Individual counselling etc, to maintain work force stability. The focus is on maintaining the service level and quality of delivery in spite of the attrition challenges by developing robust processes.

RISKS AND CONCERNS

BUSINESS RISKS

As discussed in the first few paragraphs, the business risks involved in our industry are varied.

The International outsourcing division was affected by the global slowdown and we are actively increasing the marketing activity both by increasing the feet on street sales force as well as increase the marketing team and by doing more targeted marketing. The offshore servicing business which yields exports revenue has not grown and it continues to have a lower Capacity Utilization. We have teams in US as well as consultants in UK & Australia and will keep putting efforts to grow this business.

The Domestic outsourcing division is improving gradually and pricing in the market has been increasing gradually. We now have good capacity utilization in this business at

rates which are much higher than what we were getting 2 years back. The plan is to keep looking for strategic contracts where we can command higher rates and make this business more profitable.

HR BPO division is a vertical which is growing organically for us and this will continue in the coming years too. Marketing efforts will be increased to market in destinations like Manila, Middle East, UK and in the US in the coming year. The potential for growth in this division is very high and efforts are on to maintain the momentum.

FINANCIAL RISKS

❖ GEOGRAPHICAL CONCENTRATION OF CLIENTS

Your Company has a global footprint and the revenues are dependent on clients located predominantly in US. As a strategy we continue to focus on increasing the share of our Revenues from US / UK as the margins are better compared to Domestic business. As a result, the Company is exposed to various risks typically associated with doing business in various countries, many of which are beyond the control of the management.

❖ EXCHANGE FLUCTUATION

Movements in exchange rates continue to be a major threat. There has been volatility in the exchange rate between INR and USD in the recent years and these currencies may continue to fluctuate significantly in future as well. However, the rupee remained at the level of around INR 65 to a \$ for most part of FY 2016 and has helped our company realise better. We are currently adopting hedging strategies as approved by the Board and in addition use bank balances in foreign currency to meet our foreign currency liabilities. Also the increase in share of domestic revenue will mitigate this risk to an extent though Margins are always better in the international business. Our results of operation will be affected if the rupee-dollar rates continues to behave in a volatile manner in future or rupee appreciates significantly against dollar and other currencies.

❖ INDIAN TAXATION RISK

Taxes and other levies imposed by the Government of India and / or various states including Tamilnadu may affect our performance. In particular we will be affected by new taxes and laws levied by authorities. We are taking adequate efforts to comply with the entire statutory requirement on an ongoing basis and



the same is subject to Internal Audit on a quarterly basis. We also take the help of external consultants to handle specific issues as and when it arises.

❖ CUSTOMER CREDIT RISK

Your company follows a process of due client qualification in respect of orders received and contracts signed. However owing to business reasons or reasons specific to delivery / disputes there are collection risks which the company faces. There is a regular follow-up process to ensure that amounts due are billed in time and collections received in time. Regular quarterly confirmation of balance is also obtained from major clients. Due provisions are made in accounts for amounts considered not collectible.

❖ LEGAL AND CONTRACTUAL RISKS

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

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

- ♦ We have complied on ongoing basis with all registrations / renewals concerning telemarketing and collection licenses in USA. Our Legal / Secretarial Dept. have an internal monitoring mechanism as well as through attorneys / firms appointed in US for attending the same.
- ♦ We have complied with all relevant provisions governing call centre business in India such as DOT approval and adherence to Do Not call Registry norms.
- ♦ All Registrations as required under STPI / Customs / Labor laws and State laws are adequately monitored and complied with.

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

❖ INFRASTRUCTURE RISKS

The Company has invested substantially in the state of the art infrastructure and equipment in its centres to provide a world-class service to its customers. Service to our clients also depends on the uninterrupted functioning of these equipment, power and stability of telecom network. Any obsolescence in the infrastructure and equipment leading to incompatibility with client's systems or any disruption in the essential services may affect the business of the company. Adequate backups and redundancy measures are in place for uninterrupted functioning of IT and telecom equipment. AMC of all equipment is being monitored for timely renewals wherever needed. Insurance for fixed assets and all office locations is in force and is monitored for timely renewals and adequacy of risks covered under Office package policy.

❖ HUMAN RESOURCES RISK

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your company has a well-defined and documented internal control system that is adequate and commensurate with the size and nature of its business. Adequate checks and balances and control systems



are established to ensure that assets of the company are safeguarded and transactions are executed under proper authorization and are properly recorded in the books of account. There exists a proper definition of roles and responsibilities across the organization to ensure information flow and effective monitoring. The Company has an independent Internal Audit carried out periodically by a firm of Chartered Accountants who draw out their audit program based on risk assessments and in consultation with the Audit committee. The Company has an Audit Committee consisting of 5 Directors which has a majority of Independent Directors. This committee reviews the internal audit reports, statutory audit reports, the quarterly and / annual financial statements and discusses all significant audit observations and follow up actions arising from them. It further monitors the risk exposures of the company. The committee also reviews and recommends to the Board the terms of appointment of the statutory auditors and internal auditors.

From this year, there is a new requirement under Companies Act as regards to Internal Financial control (IFC) and Internal Financial control over Financial Reporting. Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the 2013 Act" or "the Act") requires the auditors' report to state whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls. Clause (e) of Sub-section 5 of Section 134 to the Act requires the Directors' Responsibility Statement to state that the Directors, in the case of a listed 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. The auditor's objective in an audit of internal financial controls over financial reporting is to express an opinion on the effectiveness of the company's internal financial controls over financial reporting and the procedures in respect thereof are carried out along with an audit of the financial statements. Your Company has complied with these requirements.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCE FRONT INCLUDING HEAD COUNT

As at 31st March 2016, total number of employees stood at 2407 nos. which is a decrease of 358 nos from the previous year end figure of 2765.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Your company is currently providing voice and data services to its International and Domestic clients in the ITES (BPM).

(Rs. in Lakhs)

For the year ended	Exports	%	Domestic	%	Total income
31 March 2016	3719	34	7117	66	10836
31 March 2015	3270	34	6477	66	9747

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

Overview

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



RESULTS OF OPERATIONS - PERFORMANCE SUMMARY

	2015-16		2014-15		% Increase/ (decrease) over previous year*
	Rs. in Lakhs	% of Total revenues	Rs. in Lakhs	% of Total revenues	
INCOME					
Income - Operations	10836	98	9747	98	11
Income - Others	252	2	236	2	7
A) Income - Total	11088	100	9983	100	11
COSTS					
Connectivity costs	362	3	476	5	(24)
Staff cost	6356	57	6156	61	3
Other Costs	2845	26	2865	29	(1)
B) Total costs	9563	86	9497	95	1
C) Profit before Interest, depreciation & taxes	1525	14	486	5	214
Depreciation & amortization	503	5	667	6	(25)
Interest	54	0	56	1	(4)
Interest income	(277)	(2)	(107)	(1)	159
D) Profit / (loss) before Taxes	1245	11	(130)	(1)	-
Taxes	297	2	44	1	-
E) Profit / (Loss) after Taxes	948	9	(174)	(2)	-

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

Earnings per share data (Basic / Diluted)

YE 31 March 2016	Rs. 6.22/6.22
YE 31 March 2015	Rs. (1.14)/(1.14)

PROFIT AND LOSS ACCOUNT

1. Income from Operations

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

(Rs. in Lakhs)

Income	Year Ended March 31, 2016	Year Ended March 31, 2015	Increase/ (Decrease) in %
Exports-Call Center	3256	3179	2%
Exports-HR Payroll	463	91	409%
Domestic-Call Center	4138	3925	10%
Domestic-HR payroll	2979	2552	17%
Total	10836	9747	11%

There is an increase of 2% in export revenue aided by favorable exchange rate offset by decrease in USD billing by 3% over previous year

Domestic revenue has seen an increase of 10% during the year due to addition of few clients with better pricing during the year / previous year which has contributed to both Revenue and PAT.

HR BPO is a vertical which is growing organically for us and this will continue in the coming years too. This Vertical has shown an increase of 30% over previous year including Exports.

2. Other Income

Current year stood at Rs. 252 Lakhs as compared to Rs. 236 Lakhs in the previous year. The main movements are:

- Favorable exchange differences to the tune of Rs. 84 Lakhs (During the year exchange gain was Rs. 160 lakhs as against Rs. 76 Lakhs in 2014-15)
- Dividend on Preference Shares received from our Subsidiary M/s Allsectech Manila Inc to the tune of RS. 13 Lakhs.



- iii. Offset by lower liabilities no longer required written back in 2014-15 to the tune of INR 74 Lakhs not there in the current year.

3. Expenditure

During the year, there is a reduction in total expenditure of Rs. 100 lakhs (while increase in revenues amounted to Rs. 1089 lakhs). This was primarily on account of lower connectivity costs & depreciation offset by higher manpower costs due to salary increments.

	Year ended March 31, 2016	Year ended March 31, 2015	Favourable / (unfavourable) in % over previous year
	Rs. INR Lakhs		%
Connectivity cost (Note 1)	362	476	24
Employee costs and benefits (Note 2)	6,356	6,156	(3)
General and administration expenses (Note 3)	2,735	2,737	0
Selling expenses (Note 4)	110	128	14
Finance charges	54	56	4
Depreciation (Note 5)	503	667	25
Total	10,120	10,220	1

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

Note 2: The increase in employee cost is mainly on account of salary increase given to eligible employees at an average of 8% effective October 2015.

Note 3: The total savings in general and admin expenses in the current year was Rs. 2 lakhs compared to the previous year.

Note 4: Decrease in selling expenses amounting to Rs 18 Lakhs due to lower selling commission.

Note 5: The decrease in Depreciation of Rs. 164 lakhs due to assets useful lives got over during the middle of the year offset by depreciation of new assets.

4. Provision for Tax

Provision for tax includes current tax, deferred taxes apart from MAT if any. During this financial year, there was no current taxes provision due to carry forward loss situation and MAT was provided for Rs. 297 lakhs.

FINANCIAL CONDITION - BALANCE SHEET

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

1. Share Capital

The Equity Capital of the Company as on March 31, 2016 stands at Rs 1524 Lakhs and has remained constant over the previous Balance sheet date.

2. Employee Stock Option Plan (ESOP):

Employee Stock Option Scheme (ESOS), 2010:

All the options granted under ESOS 2010 stand lapsed/ cancelled as at 31 March 2016.

3. Reserves and Surplus

The Company's Reserves and Surplus as on March 31, 2016 stood at Rs. 10,876 Lakhs represented by capital reserve at Rs. 251 lakhs (same as last year), share premium on the equity shares amounting to Rs. 12,019 lakhs (same as last year), Rs. 1413 lakhs representing General Reserve (same as last year), Rs. (2,807) lakhs (previous year: Rs. (3,755) lakhs) representing debit balance in the profit and loss account shows a decrease of Rs. 948 Lakhs during the year being the profit for the period and the reasons for the increase in profits for the year as been explained in the above paragraphs under Profit and Loss Account.

4. Long Term Borrowings

Secured loan of Rs. 35 lakhs represents balance payable towards Finance lease obligation (HP loans). This has decreased by Rs. 24 lakhs during the year and this is primarily due to net repayment of HP loans during the year.

5. Provisions

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

Provision for Gratuity for the current year is at Rs. 265 lakhs as against Rs. 233 lakhs in the previous year Rs. 35 lakhs out of Rs. 265 lakhs is considered as Long term and shown accordingly.



Provision for Leave benefits for the current year is at Rs. 91 lakhs as against Rs. 70 lakhs in the previous year. Long term provision is NIL.

6. Short term Borrowings:

This represents bank overdraft and there is a NIL balance as at 31 March, 2016 as we have not utilized any amount from the banks for our working capital needs. The balance as at 31 March 2015 was Rs. 85 lakhs.

7. Other Current Liabilities

Trade payables being payable to suppliers of goods and services has come down by Rs. 60 lakhs down from Rs. 498 lakhs in 2014-15 to Rs. 438 lakhs in 2015-16.

Other liabilities is at Rs. 296 lakhs as against Rs. 315 lakhs in previous year mainly due to lower other payables.

8. Fixed Assets - Tangible

Additions to Fixed Assets amounted to Rs. 172 lakhs (Rs. 98 lakhs) in tangible fixed assets primarily due to additions to call centre equipment and Computers and Servers - Rs. 135 lakhs Vehicles of Rs. 19 lakhs; office equipment of Rs 6. lakhs; Furniture of Rs. 4 Lakhs and lease hold improvement of Rs. 8 Lakhs.

The total assets disposed off during the year amounted to Rs. 315 lakhs (Rs. 516 lakhs). The Assets sold were Call center equipment and Computers and servers - Rs. 190 lakhs; office equipment and Furniture and Fixtures - Rs. 99 lakhs and Vehicles - Rs. 42 lakhs. Accumulated Depreciation for these disposal amounted to Rs. 266 lakhs.

After providing for depreciation of Rs. 307 lakhs (Previous year: Rs. 411 lakhs) for the year, the net block of fixed assets stood at Rs. 505 lakhs as on March 31, 2016 compared to Rs. 689 lakhs as at March 31, 2015.

9. Fixed Assets - Intangible

Intangible assets comprise block of software used for call center operation. During the year there was an addition in Software of Rs. 198 lakhs and disposal of Rs. 1 lakh.

The closing net block of software is Rs. 241 lakhs as at 31 March 2016 as against Rs. 238 lakhs for the year ended 31 March 2015.

10. Non-Current Investments

Total Investments represent the amount of equity capital invested in three subsidiaries. During the year our Subsidiary M/s Allsec Tech Manila Inc. Manila has redeemed part of Preference Shares to the tune of RS. 294 lakhs. (USD 500,000).

11. Loans and Advances

Long Term Loans and Advances:

(Rs. in Million)

Head	As at March 31, 2016	As at March 31, 2015
Security Deposits	459	473
Loan to related party	1016	957
Prepaid expenses	6	5
Taxes receivable	871	1599
Total	2352	3034

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

Loans to related party represents loan given to our wholly owned Subsidiary in USA amounting to USD 1.5 Mn for meeting their working capital requirements which arose due to new contract signed by the subsidiary. The Increase during the year represents foreign currency translation as at 31 March 2016.

There is a difference of Rs. 728 lakhs in taxes receivable which is mainly on account of a) Refund of Tax Deducted at Source amounting to Rs. 631 lakhs; b) TDS accrued during the year 2015-16 of Rs. 200 lakhs and c) MAT tax provision of Rs. 297 Lakhs.

12. Short Term Loans and Advances:

Head	As at March 31, 2016	As at March 31, 2015
Security Deposits	1	0
Advances recoverable	18	26
Prepaid expenses	93	80
Balances with Statutory authorities	19	25
Total	131	131



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

13. Trade Receivables

Current Trade receivable increased to Rs. 2447 lakhs as at March 31, 2016 as against Rs. 2323 lakhs as at March 31, 2015.

Current Trade receivables from 100% subsidiaries amounted to Rs. 594 lakhs as compared to Rs. 703 lakhs in the previous year representing amount received from subsidiary amounting to Rs. 267 lakhs offset by additional invoices raised amounting to Rs. 158 lakhs during the year.

The sundry debtor in terms of days of sales (DSO) as at 31 March 2016 is 81 days (86 days for previous year). The DSO without considering the receivables from 100% subsidiaries is at 58 days for the current year (62 days).

14. Other Assets

Non-Current bank balances represent the Fixed Deposit given as a Margin Money for opening SBLC with Banks and are maturing after 31 March 2017. Interest accrued on those deposits is also classified with the deposit as Long term.

Other current assets represent Interest on Fixed Deposits which are maturing before 31 March 2017 and interest accrued on those deposits. Interest accrued on loans given to subsidiary amounted to Rs. 117 lakhs and Unbilled Revenues amounted to Rs. 312 lakhs (Rs. 311 lakhs).

15. Current Investments

Current investments represent balances invested in mutual funds. The Balance as at 31 March 2016 is Rs. 1911 lakhs (Rs. 175 lakhs).

16. Cash and Bank Balances

Cash and Bank balances increased to Rs. 683 lakhs as at 31 March 2016 as against Rs. 369 lakhs as at 31 March 2015. This represents deposit accounts including margin money deposits amounting to Rs. 269 lakhs (previous year: Rs. 224 lakhs) and yearend cash and bank balances of Rs. 414 lakhs as at end March 2016 as compared to Rs. 145 lakhs as at end March 2015. The increase in cash and cash equivalents of Rs. 269 lakhs during the year represented by

- a) Net Cash inflow from operations amounting to Rs. 1938 lakhs (previous year cash outflow of Rs.142 lakhs)
- b) Net cash used in Investing activity amounted to Rs. 1541 lakhs (previous year net cash inflow of Rs. 54 lakhs) and
- c) Net cash used in financing activity amounted to Rs. 128 lakhs (previous year net cash inflow of Rs. 42 lakhs)

Disclaimer This discussion and analysis report presentation may include statements that are not historical in nature and that may be characterized as "forward-looking statements", including those related to future financial and operating results, future opportunities and the growth of selected verticals in which the organization is currently engaged or proposes to enter in future. You should be aware that future results could differ materially from past performance and also those contained the forward-looking statements, which are based on current expectations of the organization's management and are subject to a number of risk and uncertainties. These risks and other factors are described in Allsec's annual reports. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company. The information presented herein should not be construed as earnings guidance under the terms of the stock exchange listing agreements.

**EXTRACT OF ANNUAL RETURN****MGT- 9**

as on the financial year ended on 31/03/2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. Registration and other Details

- (i) CIN : **L72300TN1998PLC041033**
- (ii) Registration Date : **24/08/1998**
- (iii) Name of the company : **Allsec Technologies Ltd**
- (iv) Category /subcategory of the company : **Company Limited By Shares**
- (v) Address of the Registered office and contact details : **No 7H, Century Plaza, No. 560-562, Anna salai, Teynampet, Chennai - 600018.**
- (vi) Whether listed Company : **Yes**
- (vii) Name address and contact details of Registrar and Transfer Agent, if any : **Karvy Computer Share Pvt Limited, Karvy House no 46, 8-2-609 / K, Avenue, 4, Street No.1 Banjara Hills, Hyderabad - 500 034, Telengana.**

II. Principal Business Activities Of The Company.

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

S. No	Name and description of main products / services	NIC code of the product service	% to total turnover of the company
1	Call centre services	82200	68%
2	Payroll Processing	78300	32%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
(A) Promoter & Promoter Group									
(1) Indian									
a) Individual / HUF	5399381	-	5399381	35.43	6149071	-	6149071	40.35	4.92
b) Central government	-	-	-	-	-	-	-	-	-
c) State govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Others	-	-	-	-	-	-	-	-	-
Sub total A (1):	5399381	-	5399381	35.43	6149071	-	6149071	40.35	4.92
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub total A (2)									
Total shareholding of promoter A = A1+ A2	5399381	-	5399381	35.43	6149071	-	6149071	40.35	4.92
B) Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIIs	498816	-	498816	3.27	-	-	-	-	3.27



Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
h) Foreign venture capital	4702858	-	4702858	30.86	4702858		4702858	30.86	-
i) Funds others specify (QFI)	182558	-	182558	1.20	-	-	-	-	1.20
Sub total (B) (1)	5887164	-	5887164	38.63	5205790		5205790	34.16	4.47
2) Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	296126	100	296226	1.94	391555	100	391555	2.57	0.63
b) Individuals	-	-	-	-	-	-	-	-	-
i) individual shareholders holding nominal share capital upto Rs. 1 Lakh	1471692	94	1471786	9.66	1616890	94	1616984	10.61	0.95
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1993557	-	1993557	13.08	1661514	-	1661514	10.90	(2.18)
c) Others (specify) (NRI) (trust)&(CM)	190212	-	190212	1.25	213312	-	213312	1.40	0.15
Subtotal (B) (2)	3951587	194	3951587	25.93	3883271	194	3883465	25.48	0.45
Total Public shareholding (B)=(B1+B2)	9838751	194	9838945	64.57	9089061	194	9089255	59.65	4.92
C. Shares by GDRs & ADRs	0	0	0	0	0	0		0	0
Grand Total (A+B+C)	15238132	194	15238326	100.00	15238132	194	15238326	100.00	100

ii) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	% change in share holding
1	A SARAVANAN	2737119	17.96	0	3112119	20.42	0	2.46
2	R JAGADISH	2662262	17.47	0	3036952	19.93	0	2.46
	Total	5399381	35.43	0	6149071	40.35	0	4.92



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

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	A. Saravanan				
	At the beginning of the year	2737119	17.96%	2737119	17.96%
	Purchase on 30.03.2016	375000	2.46%	3112119	20.42%
	At the end of the year	3112119	20.42%	3112119	20.42%
2	R. Jagadish				
	At the beginning of the year	2662262	17.47%	2662262	17.47%
	Purchase on 30.03.2016	374690	2.46%	3036952	19.93%
	At the end of the year	3036952	19.93%	3036952	19.93%

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	FIRST CARLYLE VENTURES MAURITIUS				
	At the beginning of the year	4702858	30.86	4702858	30.86
	At the End of the year			4702858	30.86
2	ASHISH DHAWAN				
	At the beginning of the year	1075115	7.06	1075115	7.06
	10/07/2015	-50000	0.33	1025115	6.73
	17/07/2015	-75819	0.50	949296	6.23
	24/07/2015	-21404	0.14	927892	6.09
	31/07/2015	-882190	5.79	45702	0.30
	07/08/2015	-45702	0.30	0	0.00
	At the End of the year			0	0.00
3	UTI-MID CAP FUND				
	At the beginning of the year	502932	3.30	502932	3.30
	At the End of the year			502932	3.30



Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	DNB FUND A/C DNB FUND - ASIAN SMALL CAP				
	At the beginning of the year	498816	3.27	498816	3.27
	12/06/2015	-498816	3.27	0	0.00
	At the End of the year			0	0.00
5	TORREY PINES INVESTMENTS LIMITED				
	At the beginning of the year	182558	1.20	182558	1.20
	03/07/2015	-182558	1.20	0	0.00
	At the End of the year			0	0.00
6	KASHMIRA INVESTMENT AND LEASING PRIVATE LTD				
	At the beginning of the year	125000	0.82	125000	0.82
	25/03/2016	125000	0.82	0	0.00
	At the End of the year			0	0.00
7	N B PRADEEPKUMAR				
	At the beginning of the year	83000	0.54	83000	0.54
	10/04/2015	1000	0.01	84000	0.55
	26/06/2015	2850	0.02	86850	0.57
	30/06/2015	3150	0.02	90000	0.59
	03/07/2015	-2700	0.02	87300	0.57
	10/07/2015	-1300	0.01	86000	0.56
	07/08/2015	-1000	0.01	85000	0.56
	14/08/2015	-2000	0.01	83000	0.54
	21/08/2015	-3000	0.02	80000	0.52
	28/08/2015	-3000	0.02	77000	0.51
	04/09/2015	-1000	0.01	76000	0.50
	11/09/2015	-2000	0.01	74000	0.49
	25/09/2015	-3500	0.02	70500	0.46



Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	30/09/2015		-3468	0.02	67032	0.44
	30/10/2015		-2300	0.02	64732	0.42
	06/11/2015		-300	0.00	64432	0.42
	13/11/2015		-3900	0.03	60532	0.40
	20/11/2015		-5500	0.04	55032	0.36
	27/11/2015		-4000	0.03	51032	0.33
	04/12/2015		-800	0.01	50232	0.33
	18/12/2015		-900	0.01	49332	0.32
	31/12/2015		-5300	0.03	44032	0.29
	15/01/2016		-810	0.01	43222	0.28
	12/02/2016		-100	0.00	43122	0.28
	04/03/2016		-1960	0.01	41162	0.27
	25/03/2016		-50	0.00	41112	0.27
	31/03/2016		-500	0.00	40612	0.27
	At the End of the year				40612	0.27
8	N S RAGHURAM					
	At the beginning of the year		80750	0.53	80750	0.53
	14/08/2015		5000	0.03	85750	0.56
	28/08/2015		5500	0.04	91250	0.60
	25/09/2015		80750	0.53	172000	1.13
	25/09/2015		-80750	0.53	91250	0.60
	09/10/2015		8750	0.06	100000	0.66
	06/11/2015		3000	0.02	103000	0.68
	20/11/2015		5800	0.04	108800	0.71
	08/01/2016		-750	0.00	108050	0.71
	15/01/2016		3710	0.02	111760	0.73
	22/01/2016		2150	0.01	113910	0.75
	26/02/2016		-721	0.00	113189	0.74
	04/03/2016		-2220	0.01	110969	0.73



Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	11/03/2016		-200	0.00	110769	0.73
	18/03/2016		3445	0.02	114214	0.75
	25/03/2016		-500	0.00	113714	0.75
	At the End of the year				113714	0.75
9	MATHEW CYRIAC					
	At the beginning of the year		70472	0.46	70472	0.46
	23/10/2015		-70472	0.46	0	0.00
	At the End of the year		0	0.00	0	0.00
10	R RAGHAVAN					
	At the beginning of the year		70399	0.46	70399	0.46
	01/05/2015		10000	0.07	80399	0.53
	18/09/2015		30326	0.20	110725	0.73
	25/09/2015		19768	0.13	130493	0.86
	30/09/2015		11686	0.08	142179	0.93
	09/10/2015		18220	0.12	160399	1.05
	16/10/2015		22502	0.15	182901	1.20
	23/10/2015		6706	0.04	189607	1.24
	30/10/2015		41727	0.27	231334	1.52
	06/11/2015		2000	0.01	233334	1.53
	20/11/2015		-24399	0.16	208935	1.37
	04/12/2015		-20000	0.13	188935	1.24
	01/01/2016		10000	0.07	198935	1.31
	29/01/2016		-11411	0.07	187524	1.23
	05/02/2016		-8589	0.06	178935	1.17
	At the End of the year				178935	1.17



v) 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
1	R JAGADISH					
	At the beginning of the year		2662262	17.47	2662262	17.47
	30.03.2016		374690	2.46	3036952	19.93
	At the End of the year		3036952	19.93	3036952	19.93
2	K. NARASIMHAN					
	At the beginning of the year		0	0.00	0	0.00
	26.08.2015		300		300	
	15.09.2015		300		600	
	30.09.2015		100		700	
	20.10.2015		100		800	
	19.01.2016		400		1200	
	19.02.2016		100		1300	
	29.03.2016		100		1400	
	At the End of the year				1400	
3	A. MOHAN KUMAR					
	At the beginning of the year		10	0.00	10	0.00
	Purchase during the year		Nil			
	At the End of the year				10	0.00

V. INDEBTNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year				
i) Principal Amount	191	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	(14)	-	-	-
Total (i+ii+iii)	177	-	-	-
Change in Indebtness during the financial year				
• Addition	22	-	-	-
• Reduction	(125)	-	-	-
Net Change	(103)	-	-	-



	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the end of the financial year				
• Principal Amount	74	-	-	-
• Interest due not paid	-	-	-	-
• Interest accrued but not due	(8)	-	-	-
Total (i + ii + iii)	66	-	-	-

VI. Remuneration of Directors and Key Managerial Personnel

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. R. Jagadish, Director & CEO	
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,00,000	84,00,000
	b) Value of perquisites u/s17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat equity	-	-
4	Commission - as % of profit	-	-
5	Others, please specify	-	-
	Total (A)	84,00,000	84,00,000
	Ceiling as per the Act	84,00,000	84,00,000

B . Remuneration to other Directors:

S.No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. T. Anantha Narayan	Mr. Krishnakumar Srinivasan	Mr. S. Premkumar	Ms. Lalitha Sankaran	
	Independent Directors					
	• Fee for attending board / committee meetings	180000	40000	60000	160000	440000
	• Commission	-	-	-	-	-
Total		180000	40000	60000	160000	440000
	Non Executive Directors					
	• Fee for attending board / committee meetings	-	40000	-	-	40000
	• Commission	-	-	-	-	-
Total			40000			40000



S.No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. T. Anantha Narayan	Mr. Krishnakumar Srinivasan	Mr. S. Premkumar	Ms. Lalitha Sankaran	
	Total Managerial Remuneration = (1)+(2)	180000	80000	60000	160000	480000
	Overall Ceiling as per the Act					

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

S.No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1 (a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2047578	4079266	6,126,844
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option (No. of Shares)			
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
Total (A)		2047578	4079266	6,126,844

VII. VI. Penalties / Punishment / Compounding of Offences

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



Form No. MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31st MARCH, 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

Allsec Technologies Limited

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

Chennai - 18.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Allsec Technologies Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my 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 the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (f) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015;



- 6) Software Technology Parks of India and its regulations
- 7) Information Technology Act, 2000 and Information Technology Amendment Act, 2008

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (LODR) 2015 entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. However there is no instance of dissent voting by any member during the period under review

I 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.

I have examined the systems and procedures of the Company as placed to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them., rules, regulations and guidelines.

I further report that during the audit period, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

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

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

P. Sriram & Associates

FCS No: 4862

CP No: 3310

Place : Chennai

Date : 20th May, 2016

**FORM No. AOC-2**

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

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

1. Details of Contracts or arrangements or transactions not at arm's length basis: Nil
 - a) Name (s) of the Related Party and nature of relationship:
 - b) Nature of contracts / arrangements/ transactions:
 - c) Duration of the Contracts / arrangements / transaction/:
 - d) Silent terms of the Contracts or arrangements or transactions including the value if any -
 - e) Justification for entering into such contracts or arrangements or transactions:
 - f) Date(s) of approval by the Board:
 - g) Amount paid as advances if any:
 - h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188:

2. Details of material contracts or arrangement or transactions at arm's length basis

- a) Name (s) of the related party and nature of relationship:

- i) **Allsectech Inc, USA**

- ii) **Retreat Capital Management, Subsidiary Companies**

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

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

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

- e) Date(s) of approval by the Board, if any: **11th February 2015**

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

On Behalf of the Board Directors

R. Jagadish

Director

Place : Chennai

Date : 20th May, 2016



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

Employees Stock Option Schemes

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

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

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

k. Employee wise details of options granted to:

(i) Senior Managerial Personnel:

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

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

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



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

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

Particulars	Profit / (Loss) after tax (Rs in Lakhs's)	Basic EPS (Rs.)	Diluted EPS (Rs.)
Year ended March 31, 2016			
- Amounts as Reported	948	6.22	6.22
- Amounts as per pro-forma	948	6.22	6.22
Year ended March 31, 2015			
- Amounts as Reported	(174)	(1.14)	(1.14)
- Amounts as per pro-forma	(174)	(1.14)	(1.14)

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

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

For and on behalf of the Board of Directors

A. Saravanan
Director

R. Jagadish
Director

Place : Chennai
Date : 20th May, 2016



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

We hereby certify that -

- a. We have reviewed financial statements for the period ended March 31, 2015 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal control over Financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to Financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated wherever applicable, to the Auditors and the Audit Committee:
 - i. significant changes in internal control over Financial reporting during the quarter;
 - ii. significant changes in accounting policies during the quarter, if any and that the same have been disclosed in the notes to the financial statements and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

R. Jagadish
Director & CEO

K. Narasimhan
Chief Financial Officer

Place : Chennai

Date : 20th May, 2016



To

The Members of Allsec Technologies Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 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 qualified audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to

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

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and 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 Companies Act, 2013;
 - (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 2" to this report;
 - (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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 32 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm's Registration Number: 101049W/E300004

per **Aniruddh Sankaran**

Partner

Membership Number: 211107

Place : Chennai

Date : 20th May, 2016.



Annexure 1 referred to in paragraph 1 of the section on report on other legal and regulatory requirements in our report of even date.

Re: Allsec Technologies Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to information and explanations given by the management the Company does not have immovable properties. Therefore, the provisions of clause 3 (i) (c) of the order are not applicable to the Company and hence not commented upon.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loans to a subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans are not prejudicial to the company's interest.
- (b) The Company has granted loans that are re-payable on demand, to a firm covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted and the interests there on are re-payable on demand. We are informed that the Company has not demanded repayment of any such loan and interests thereon during the year, and thus, there has been no default on the part of the parties to whom the money has been lent.
- (c) There is no amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are outstanding for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, duty of custom, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to excise duty are not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty value added tax and cess on account of any dispute, are as follows:



Name of the Statute	Nature of the dues	Amount in INR	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	*	AY 2005-06, AY 2009-10 to AY 2011-12	Commissioner of income tax (appeals)
Income tax Act, 1961	Income tax	*	AY 2008-09	Income tax appellate tribunal
Income tax Act, 1961	Income tax	*	AY 2013-14	Commissioner of income tax (appeals)

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

- (viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company did not have any outstanding debentures and loans from government during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans. Hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) According to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, we report that the managerial remuneration has been paid / 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 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to 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.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm's Registration Number: 101049W/E300004

per **Aniruddh Sankaran**

Partner

Membership Number: 211107

Place : Chennai

Date : 20th May, 2016.

**ANNEXURE - 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ALLSEC TECHNOLOGIES LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****To the Members of Allsec Technologies Limited**

We have audited the internal financial controls over financial reporting of Allsec 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 is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm's Registration Number: 101049W/E300004

per **Aniruddh Sankaran**

Partner

Membership Number: 211107

Place : Chennai

Date : 20th May, 2016.

Balance Sheet

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	Notes	As at March 31, 2016	As at March 31, 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,524	1,524
Reserves and surplus	4	10,876	9,928
		<u>12,400</u>	<u>11,452</u>
Non-current liabilities			
Long-term borrowings	5	35	59
Long-term provisions	6	53	51
		<u>88</u>	<u>110</u>
Current liabilities			
Short-term borrowings	7	-	85
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		380	354
Other current liabilities	8	358	459
Short-term provisions	9	310	266
		<u>1,048</u>	<u>1,164</u>
Total		<u>13,536</u>	<u>12,726</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	505	689
Intangible assets	10	240	238
Non-current investments	11	4,813	5,107
Long-term loans and advances	12	2,352	3,034
Other non-current assets	13	7	288
		<u>7,917</u>	<u>9,356</u>
Current assets			
Current investments	14	1,911	175
Trade receivables	15	2,447	2,323
Cash and bank balances	16	683	369
Short-term loans and advances	17	131	131
Other current assets	18	447	372
		<u>5,619</u>	<u>3,370</u>
Total		<u>13,536</u>	<u>12,726</u>

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

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

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration No.: 101049W/E300004

Chartered Accountants

per Aniruddh Sankaran Partner

Membership No: 211107

Place : Chennai

Date : May 20, 2016

For and on behalf of the Board of Directors

A. Saravanan

Director

R. Jagadish

Director

K. Narasimhan

Chief Financial Officer

A. Mohan Kumar

Company Secretary

Profit and Loss Account

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	Notes	Year ended March 31, 2016	Year ended March 31, 2015
Income			
Revenue from operations(net)			
- Income from IT enabled services		10,836	9,747
Other income	19	252	236
Total revenue (I)		11,088	9,983
Expenses			
Connectivity costs		362	476
Employee benefits expense	20	6,356	6,156
Other expenses	21	2,845	2,865
Total (II)		9,563	9,497
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		1,525	486
Depreciation and amortization expense	10	503	667
Finance costs	22	54	56
Interest Income	23	277	107
Profit / (loss) before tax		1,245	(130)
Tax expenses			
MAT Credit entitlement written off		-	44
MAT		264	-
MAT relating to earlier years		33	-
Total tax expense		297	44
Profit / (loss) for the year		948	(174)
Earnings per equity share			
Net profit / (loss) available to equity shareholders		948	(174)
Basic earnings per share (Rs.)		6.22	(1.14)
Par value		10	10

Summary of significant accounting policies - Refer note 2.1 to the financial statements

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

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.: 101049W/E300004
Chartered Accountants

per Aniruddh Sankaran
Partner
Membership No: 211107

Place : Chennai
Date : May 20, 2016

For and on behalf of the Board of Directors

A. Saravanan
Director

K. Narasimhan
Chief Financial Officer

R. Jagadish
Director

A. Mohan Kumar
Company Secretary

Cash Flow Statement

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	As at March 31, 2016	As at March 31, 2015
A. Cash flow from operating activities		
Profit / (Loss) before tax	1,245	(130)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortization	503	667
Loss on sale of fixed assets	26	12
Unrealized foreign exchange loss / (gain)	(44)	(66)
Advances written off / provision for doubtful debts	5	36
Interest expense	15	16
Net gain on sale of current investments	(73)	(77)
Liabilities No Longer Required	(2)	(45)
Interest income	(277)	(107)
Dividend income	(14)	-
Operating profit before working capital changes	1,384	306
Movements in working capital :		
Increase / (decrease) in trade payables and other current liabilities	(75)	(125)
Increase / (decrease) in provisions	46	19
Decrease / (increase) in trade receivables	(142)	40
Decrease / (increase) in loans and advances	17	15
Decrease / (increase) in other assets	277	(493)
Cash generated from / (used in) operations	1,507	(238)
Direct taxes paid (net of refunds received)	431	96
Net cash flow from / (used in) operating activities (A)	1,938	(142)
B. Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(370)	(238)
Proceeds from sale of fixed assets	23	6
(Investments in) / withdrawal in Investments in Subsidiary	294	-
Loans advanced to subsidiary	-	(942)
(Investments in) / withdrawal from term deposits	(45)	188
Proceeds of current investments	6,934	2,478
Purchase of current investments	(8,597)	(1,504)
Interest received	206	66
Dividends received on current investments	14	-
Net cash flow from / (used in) investing activities (B)	(1,541)	54

Cash Flow Statement

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	As at March 31, 2016	As at March 31, 2015
C. Cash flow from financing activities		
Proceeds from long-term borrowings	22	8
Repayment of long-term borrowings	(50)	(35)
Proceeds from short-term borrowings	(85)	85
Interest paid	(15)	(16)
Net cash flow from / (used in) in financing activities (C)	(128)	42
Net increase / (decrease) in cash and cash equivalents (A + B + C)	269	(46)
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	1
Cash and cash equivalents at the beginning of the year	145	190
Cash and cash equivalents at the end of the year	414	145
D. Components of cash and cash equivalents		
Cash on hand	1	2
With banks - on current account	413	143
Total cash and cash equivalents (note 16)	414	145

Summary of significant accounting policies - Refer note 2.1 to the financial statements

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

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration No.: 101049W/E300004

Chartered Accountants

per Aniruddh Sankaran

Partner

Membership No: 211107

For and on behalf of the Board of Directors

A. Saravanan

Director

R. Jagadish

Director

Place : Chennai

Date : May 20, 2016

K. Narasimhan

Chief Financial Officer

A. Mohan Kumar

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Notes

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ALLSEC TECHNOLOGIES LIMITED

1. Corporate information

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

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

2. Basis of preparation

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

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

2.1 Summary of significant accounting policies

(a) Use of estimates

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

(b) Tangible fixed assets

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

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

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

(c) Depreciation on tangible fixed assets

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

Notes

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



ALLSEC TECHNOLOGIES LIMITED

Asset Description	Useful Lives (Years)
Plant and machinery	3 - 10
Furniture and fixtures	10
Office Equipments	5
Vehicles	8

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

(d) **Intangible assets**

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

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

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

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

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

Computer software

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

Goodwill

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

(e) **Leases**

Where the Company is the lessee:

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

Notes

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ALLSEC TECHNOLOGIES LIMITED

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

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

The Company has adopted 8 years as the useful life of vehicles taken on finance lease.

(f) Impairment of tangible and intangible assets

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

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

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

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

(g) Investments

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

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

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

Notes

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ALLSEC TECHNOLOGIES LIMITED

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

(h) Revenue recognition

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

Income from services

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

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

Dividend income

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

Interest

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

(i) Foreign currency translation

Foreign currency transactions and balances

i. Initial recognition

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

ii. Conversion

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

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

iii. Exchange difference

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

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

Notes

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ALLSEC TECHNOLOGIES LIMITED

(j) Retirement and other employee benefits

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

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

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

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

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

(k) Income taxes

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

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

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

Notes

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ALLSEC TECHNOLOGIES LIMITED

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

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

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

(l) Employee stock compensation cost

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

(m) Segment reporting

Identification of segments

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

Segment accounting policies

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

(n) Earnings per share

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

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

Notes

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ALLSEC TECHNOLOGIES LIMITED

(o) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(p) Contingent liabilities

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

(q) Cash and cash equivalents

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

(r) Derivative instruments

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

(s) Measurement of EBITDA

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

Notes

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ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	March 31, 2016	March 31, 2015
3 Share capital		
Authorized shares		
20,000,000 [March 31, 2015: 20,000,000] Equity shares of Rs. 10/- each	2,000	2,000
1,350,000 [March 31, 2015: 1,350,000] Convertible Preference Shares of Rs. 100/- each	1,350	1,350
Issued, subscribed and fully paid-up shares		
15,238,326 [March 31, 2015: 15,238,326] Equity Shares of Rs. 10/- each fully paid up	1,524	1,524
Total issued, subscribed and fully paid-up share capital	1,524	1,524

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

Equity shares	March 31, 2016		March 31, 2015	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	1,52,38,326	1,524	1,52,38,326	1,524
Issued during the period	-	-	-	-
Outstanding at the end of the period	1,52,38,326	1,524	1,52,38,326	1,524

(b) Terms / rights attached to equity shares

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

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

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

Equity shares of Rs. 10/- each fully paid

Name of shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Saravanan A	31,12,119	20.42%	27,37,119	17.96%
Jagadish R	30,36,952	19.93%	26,62,262	17.47%
First Carlyle Ventures Mauritius	47,02,858	30.86%	47,02,858	30.86%
Ashish Dhawan	-	-	10,75,115	7.06%

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

Notes

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ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	As at March 31, 2016	As at March 31, 2015
4 Reserves and surplus		
Capital reserve	251	251
Securities premium reserve	12,019	12,019
General reserve	1,413	1,413
Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	(3,755)	(3,186)
Profit / (loss) for the period	948	(174)
Transfer from Accumulated Depreciation*	-	(395)
Net deficit in the statement of profit and loss	(2,807)	(3,755)
Total Reserve & Surplus	10,876	9,928
*In the previous year, the Company had adopted useful life for all the tangible fixed assets as indicated in Schedule II of the Companies Act, 2013 and based on the transitional provision given in Note 7(b) of Schedule II, an amount of Rs. 395 had been adjusted to the balance carried forward (deficit) in the statement of profit and loss.		
5 Long-term borrowings		
From banks		
- Finance lease obligation (Secured)# [Also refer note 8]	35	59
Total Long-term borrowings	35	59
#Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an average interest rate of 10 % p.a. with repayment term of 5 years.		
6 Long-term provisions		
Provision for employee benefits		
Provision for gratuity [Also refer note 26]	53	51
Total Long-term provisions	53	51
7 Short-term borrowings		
Bank overdraft (secured) @	-	85
Total Short-term borrowings	-	85
@The Company had an overdraft facility with a bank, which was secured against book debts of the Company. The overdraft was repayable on demand and carried interest @ 13.70 % p.a.		

Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	As at March 31, 2016	As at March 31, 2015
8 Other current liabilities		
Trade payables	380	354
Other liabilities		
Current maturities of long-term borrowings (Includes current maturity of finance lease obligation) (Also refer note 5)	31	35
Others		
- Withholding and other tax payables	90	104
- Advance received from customers	12	-
- Accrued salaries and benefits	220	259
- Foreign currency payable	5	-
- Other non trade payables	-	61
Total Other current liabilities	358	459
9 Short-term provisions		
Provision for employee benefits		
Provision for employee bonus	7	14
Provision for gratuity [Also refer note 26]	212	182
Provision for leave benefits	91	70
Total Short-term provisions	310	266

Notes

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



ALLSEC TECHNOLOGIES LIMITED

10 Fixed assets

Particulars	Tangible assets						Intangible assets		
	Plant and machinery			Furniture and fixtures	Leasehold improvements	Vehicles #	Total	Goodwill	Computer software
	Computers and servers	Call centre equipment	Office equipment						
Cost as at April 1, 2014	1,561	3,016	619	497	1,202	220	7,115	254	1,933
Additions	26	10	24	2	29	7	98	-	142
Disposals	(148)	(42)	(12)	(7)	(288)	(19)	(516)	-	-
At March 31, 2015	1,439	2,984	631	492	943	208	6,697	254	2,075
Additions	20	115	6	4	8	19	172	-	198
Disposals	(110)	(64)	(47)	(52)	-	(42)	(315)	-	(1)
At March 31, 2016	1,349	3,035	590	444	951	185	6,554	254	2,272
Accumulated Depreciation/Amortization as at April 1, 2014	1,300	2,626	245	297	1,193	39	5,700	254	1,581
Charge for the period	57	132	111	74	8	29	411	-	256
Transfer to Surplus / (deficit) in the statement of profit and loss*	114	105	155	19	-	2	395	-	-
Disposals	(103)	(81)	(8)	(7)	(287)	(12)	(498)	-	-
At March 31, 2015	1,368	2,782	503	383	914	58	6,008	254	1,837
Charge for the period	57	116	43	48	18	25	307	-	196
Transfer to Surplus / (deficit) in the statement of profit and loss*	-	-	-	-	-	-	-	-	-
Disposals	(112)	(64)	(36)	(41)	-	(13)	(266)	-	(1)
At March 31, 2016	1,313	2,834	510	390	932	70	6,049	254	2,032
Net Block									
At March 31, 2015	71	202	128	109	29	150	689	-	238
At March 31, 2016	36	201	80	54	19	115	505	-	240

Vehicles includes vehicles taken on finance lease: Gross block Rs. 154 (March 31, 2015: Rs.178) ; Depreciation charge for the year Rs. 18 (March 31, 2015: Rs.23) ; Accumulated depreciation Rs. 50 (March 31, 2015: Rs. 45) ; Net book value Rs. 104 (March 31, 2015: Rs.133).

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

Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS		As at March 31, 2016	As at March 31, 2015
11	Non-current investments		
	Trade investments (valued at cost unless stated otherwise)		
	Investment in subsidiaries - unquoted equity instruments		
	Allsectech Inc, USA	1,214	1,214
	- Common stock hundred (March 31, 2015 - hundred), fully paid up (Refer note 25)		
	Allsectech Manila Inc., Philippines	1,020	1,020
	- 8.13 (March 31, 2015 - 8.13) Equity shares of Php 100 each fully paid up (Refer note 25)		
	Retreat Capital Management Group	1,307	1,307
	- Common stock thousand one hundred and sixty (March 31, 2015 - thousand one hundred and sixty), fully paid up		
	Investment in subsidiaries - unquoted preference instruments		
	Allsectech Manila Inc., Philippines (Refer note 25)	1,272	1,566
	Total Investments	4,813	5,107
	Aggregate amount of unquoted investments	4,813	5,107
12	Long-term loans and advances (Unsecured, considered good unless stated otherwise)		
	Security deposits	459	473
	Loan and advances to related parties [Also refer note-30]*	1,016	957
	Other loans and advances		
	- Advance income-tax (net of provision for taxation)	871	1,599
	- Prepaid expenses	6	5
	Total Long-term loans and advances	2,352	3,034
	*Represents loan to Allsectech Inc. The loan carries interest at the rate of government bond yield.		
13	Other Non-current assets (Unsecured, considered good unless stated otherwise)		
	Non-current bank balances [Also refer note 16]	7	285
	Interest accrued on fixed deposits	-	3
	Total Other Non-current assets	7	288

Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	As at March 31, 2016	As at March 31, 2015
14 Current investments		
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Quoted mutual funds	1,911	175
Total current investment	1,911	175
Aggregate amount of quoted investments (Net assets value)	1,918	187

Details of current investments

Current investments in mutual funds comprise:

Name of Mutual fund	March 31, 2016 No of units (in lakhs)	Amount
Baroda Pioneer Treasury Advantage Fund - Plan A Growth	0.06	104
Baroda Pioneer Treasury Advantage Fund - Plan B Growth	0.04	75
Birla Sun Life Floating Rate Fund-Long Term-Growth-Regular Plan	0.57	104
Canara Robeco Savings Plus Fund - Regular Growth	6.56	154
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth	7.73	157
Franklin India Treasury Management Account - Super Institutional Plan - Growth	0.02	50
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	5.63	146
Kotak Low Duration Fund Standard Weekly Dividend (Regular Plan)	0.10	103
Kotak Treasury Advantage Fund - Growth (Regular Plan)	4.19	101
DHFL Pramerica Insta Cash Plus Fund - Growth	0.27	53
Taurus Liquid Fund - Regular Plan - Super Insti Growth	0.03	54
Taurus Ultra Short Term Bond Fund - Regular Plan - Super Insti Growth	0.06	101
Principal Debt Opportunities Fund Conservative Plan-Regular Plan Growth	0.08	180
Lic Nomura MF Liquid Fund - Growth Plan	0.05	128
HSBC Cash Fund - Growth	0.03	51
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	0.01	50
Reliance Fixed Horizon Fund - XXX - Series 9 - Growth Plan	10.06	100
Religare Invesco Credit Opportunities Fund - Growth	0.06	100
Religare Invesco Medium Term Bond Fund - Direct Plan Growth	0.06	100
Total		1,911

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

Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS		As at March 31, 2016	As at March 31, 2015
15	Current trade receivable (unsecured)		
	Outstanding for a period exceeding six months from the date they are due for payment		
	- Considered good	509	623
	- Considered doubtful	31	35
	Less: Provision for doubtful receivables	(31)	(35)
		<u>509</u>	<u>623</u>
	Other receivables, considered good	1,938	1,700
	Total Current trade receivable	<u>2,447</u>	<u>2,323</u>
	Current trade receivable from related parties include		
	Dues from Allsectech Inc, USA	170	251
	Dues from Retreat Capital Management Inc.,	424	452
16	Cash and bank balances		
	Current		
	Cash and cash equivalents		
	Balances with banks:		
	- On current accounts	413	143
	Cash on hand	1	2
		<u>414</u>	<u>145</u>
	Other bank balances		
	- Margin money deposit @	269	224
		<u>269</u>	<u>224</u>
		<u>683</u>	<u>369</u>
	Non-current		
	Other bank balances		
	- Deposits with original maturity for more than 12 months	7	285
	Amount disclosed under non-current assets [Refer note 13]	(7)	(285)
	Total cash and bank balances	<u>683</u>	<u>369</u>

@Margin money deposits given as security:

Margin money deposits with a carrying amount of Rs. 276 (March 31, 2015: Rs 509) are subject to first charge to secure the Company's letter of credit and guarantee.

Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS		As at March 31, 2016	As at March 31, 2015
17	Short-term loans and advances (Unsecured, considered good unless stated otherwise)		
	Security deposits	1	-
	Advances recoverable in cash or kind	18	26
	Other loans and advances		
	Prepaid expenses	93	80
	Balances with statutory / government authorities	19	25
	Total Short-term loans and advances	131	131
18	Other Current Assets (Unsecured, considered good unless stated otherwise)		
	Interest accrued on fixed deposits	18	25
	Interest accrued on inter-company loans	117	36
	Unbilled revenues	312	311
	Total Other Current Assets	447	372
19	Other Income		
	Dividend income on		
	- Investment in subsidiaries	13	-
	- Current investments	1	-
	Profit on sale of current investments	73	77
	Exchange differences (net)	155	76
	Liabilities no longer required written back	2	45
	Miscellaneous income	8	38
	Total Other Income	252	236
20	Employee benefit expenses		
	Salaries, wages and bonus	5,382	5,139
	Contribution to provident and other fund	451	417
	Gratuity expense [Refer note 26]	84	104
	Staff welfare expenses	390	423
	Recruitment and training	49	73
	Total Employee benefit expenses	6,356	6,156

Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS		As at March 31, 2016	As at March 31, 2015
21	Other expenses		
	Electricity	470	480
	Rent and amenities	885	883
	Rates and taxes	6	15
	Insurance	17	20
	Repairs and maintenance		
	Plant and machinery	319	351
	Others	210	208
	Security charges	144	114
	Selling commission	110	128
	Other selling expenses	18	14
	Travelling and conveyance	211	199
	Communication costs	22	20
	Legal and professional fees	312	253
	Provision for doubtful debts	5	36
	Loss on sale of fixed assets (net)/ loss on fixed assets written off	26	12
	Miscellaneous expenses	90	132
	Total Other Expenses	2,845	2,865
	# Payment to auditor (Included under legal and professional fees)		
	As auditor:		
	Audit fee	24	26
	In other capacity:		
	Other services (certification fees)	2	3
		26	29
22	Finance costs		
	Interest on secured borrowings	8	11
	Interest others	7	5
	Bank charges	39	40
		54	56

Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS		As at March 31, 2016	As at March 31, 2015
23	Interest income		
	on Bank deposits	44	44
	on Others	233	63
		<u>277</u>	<u>107</u>

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

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

The Company has investments in and loans to subsidiaries, Allsectech Inc U.S.A., and Allsectech Manila Inc., Philippines, aggregating to Rs. 4522 Lakhs, which are considered long-term in nature and receivable, balance (net) of Rs. 258 Lakhs as at March 31, 2016. Till March 2015, those subsidiaries carried accumulated losses of the value of Rs. 2,917 Lakhs. The subsidiaries have made profits of Rs. 1052 Lakhs during the current year due to the significant steps taken by the management to improve their profitability, including entering into new service contracts with customers, rationalization of headcount, and arrangements to sub-lease excess capacities. Based on business plans, contracts on hand and their assessment of the revenue potential from new contracts and the other restructuring activities described above, the management is confident that the subsidiaries will continue to remain profitable, and thereby recoup all past losses over the medium term. Accordingly, no adjustments have been made to the carrying value of long-term investments, for any diminution other than temporary in their carrying values.

26. Gratuity benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rupees 10 lakhs. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

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

Statement of Profit and Loss account

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	31	22
Interest cost on benefit obligation	18	18
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	35	64
Net employee benefit expense	84	104

Notes

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



ALLSEC TECHNOLOGIES LIMITED

Balance sheet

Details of provision for gratuity

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation	(277)	(250)	(198)	(207)	(192)
Fair value of plan assets	13	17	-	9	2
Plan asset / (liability)	(264)	(233)	(198)	(198)	(190)
Experience adjustment on plan asset	(1)	-	-	-	(1)

Experience adjustment on plan liabilities was loss of Rs. 29 (March 31, 2015: loss of Rs. 44; March 31, 2014: loss of Rs. 13; March 31, 2013 gain of Rs. 6; March 31, 2012: gain of Rs. 5).

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

Particulars	As at March 31, 2016	As at March 31, 2015
Opening defined benefit obligation	250	198
Interest cost	20	18
Current service cost	31	22
Benefits paid	(57)	(52)
Actuarial (gains) / losses on obligation	33	64
Closing defined benefit obligation	277	250

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

Particulars	As at March 31, 2016	As at March 31, 2015
Opening fair value of plan assets	17	-
Expected return	2	-
Contributions by employer	52	69
Benefits paid	(57)	(52)
Actuarial gains / (losses)	(1)	-
Closing fair value of plan assets	13	17
Actual return on plan assets	-	-

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

Particulars	As at March 31, 2016	As at March 31, 2015
Investments with insurer	100%	100%

Notes

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



ALLSEC TECHNOLOGIES LIMITED

Assumptions

Particulars	As at March 31, 2016	As at March 31, 2015
Discount rate	7.79%	7.90%
Expected return on plan assets	7.79%	7.90%

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

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

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

27. Employee stock option plans

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

Employee Stock Option Scheme (ESOS), 2010

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

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

Particulars	As at March 31, 2016 (No. of options)	As at March 31, 2015 (No. of options)
Options outstanding, beginning of year	268,000	391,000
Options granted during the year	-	-
Options exercised during the year	-	-
Options lapsed during the year	268,000	123,000
Options outstanding, end of year	-	268,000
Options outstanding at the year end comprise :		
- Options eligible for exercise at year end	-	268,000
- Options not eligible for exercise at year end	-	-
Weighted average remaining contract life of options (granted in August 04, 2010)	-	0 year 4 months
Weighted average remaining contract life of options (for 100,000 options granted on August 02, 2012)	-	-
Vesting period of options		
- 50% of the options – one year from the date of grant		
- 50% of the options – two years from the date of grant		

Notes

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



ALLSEC TECHNOLOGIES LIMITED

The summary of the movements in options is as follows:

Particulars	No of options (2015-2016)	Weighted average exercise price	No of options (2014-2015)	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	268,000	45.05	391,000	45.05
Granted during the year	-	-	-	-
Lapsed during the year	268,000	45.05	23,000	45.05
Lapsed during the year	-	41.25	100,000	41.25
Outstanding at the end of the year	-	45.05	268,000	45.05
Granted in August 2010				

Particulars	As at March 31, 2016	As at March 31, 2015
Weighted average share price at the date of exercise (Rs.)	NA	NA
Range of share price of options outstanding at the year end (Rs.)		
Granted in August 2010	NA	NA

Pro-forma Disclosures for ESOS 2010

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

Particulars	Profit / (Loss) after tax	Basic EPS (Rs.)	Diluted EPS (Rs.)
Year ended March 31, 2016			
- Amounts as reported	948	6.22	6.22
- Amounts as per pro-forma	948	6.22	6.22
Year ended March 31, 2015			
- Amounts as reported	(174)	(1.14)	(1.14)
- Amounts as per pro-forma	(174)	(1.14)	(1.14)

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

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

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

Notes

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



ALLSEC TECHNOLOGIES LIMITED

28. Leases

Finance leases

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

Particulars	March 31, 2016	March 31, 2015
Total as at year end		
Minimum lease payments	74	109
Less: finance charges	8	15
Present value	66	94
Not later than one year		
Minimum lease payments	36	42
Less: finance charges	5	8
Present value	31	34
Later than one year but not later than five years		
Minimum lease payments	38	66
Less: finance charges	3	6
Present value	35	60
Later than five years		
Minimum lease payments	Nil	Nil
Less: finance charges	Nil	Nil
Present value	Nil	Nil

Operating leases

Office premises in India are obtained under operating lease. Lease rentals incurred during the year of Rs. 885 (previous year: Rs. 883) have been charged as an expense in the statement of profit and loss account. The lease terms vary between 3 and 9 years. There are no restrictions imposed by lease arrangements. There are no subleases. The future lease rentals payable are as follows:

Particulars	March 31, 2016	March 31, 2015
Up to 1 year	759	777
1 to 5 years	1,905	2,631
Beyond 5 years	Nil	45
Total	<u>2,264</u>	<u>3,453</u>

Notes

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



ALLSEC TECHNOLOGIES LIMITED

29. Segment information

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

Information about secondary segments	March 31, 2016	March 31, 2015
Revenue from services		
United States of America	2,212	2,119
United Kingdom	366	875
India	7,117	6,477
Others	1,142	276
Total	10,836	9,747

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

30. Related party disclosures

1. Names of related parties and related party relationships

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

Notes

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



ALLSEC TECHNOLOGIES LIMITED

2. Transactions with related parties:

Particulars	Subsidiaries		Key Management	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Selling commission – expenses				
-- Allsectech Inc	110	128	-	-
Service income -billed to				
-- Allsectech Inc.	158	51	-	-
-- Retreat Capital Management Inc	-	84	-	-
Interest income on loan to Allsectech Inc	78	36	-	-
Redemption of Preference shares held				
-- Allsec Tech Manila Inc	295	-	-	-
Dividend Income Received				
-- Allsectech Manila Inc.	13	-	-	-
Reimbursement of expenses incurred by WOS on behalf of Parent Company				
-- Allsectech Inc.	-	66	-	-
-- Allsectech Manila Inc.	-	-	-	-
Reimbursement of expenses incurred by Parent company on behalf of WOS				
-- Retreat capital Management Inc	-	-	-	-
-- Allsectech Inc.	-	21	-	-
-- Allsectech Manila Inc	8	2	-	-
Advances made				
-- Allsectech Inc	-	936	-	-
Investment in subsidiary				
-- Allsectech Inc.	-	-	-	-
-- Retreat Capital Management Group	-	-	-	-
-- Allsectech Manila Inc*	-	-	-	-
Remuneration - Wholetime Directors	-	-	84	84
Remuneration - Other Key Managerial Personnel	-	-	64	61

The Company has extended guarantees aggregating to Rs. 434 (USD 6.55) (previous year - Rs. 552 (USD 8.85) on behalf of its subsidiary Allsectech Inc., USA.

Notes

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



ALLSEC TECHNOLOGIES LIMITED

3. Balances with related parties:

Particulars	Subsidiaries		Key Management Personnel	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Trade Receivable				
-- Allsectech Inc.	170	251	-	-
-- Retreat Capital Management Inc.	424	452	-	-
Payables				
-- Allsectech Inc.	39	43	-	-
Loans and Advances				
-- Allsectech Inc.	1,016	957	-	-
-- Allsectech Manila Inc.	10	2	-	-
-- Interest on loan to Allsectech Inc.	117	36	-	-
Investment in subsidiary				
-- Allsectech Inc.	1,214	1,214	-	-
-- Allsectech Manila Inc.	1,020	1,020	-	-
-- Allsectech Manila Inc. (Preference shares capital)	1,272	1,566	-	-
-- Retreat Capital Management Inc.	1,307	1,307	-	-
Maximum amounts outstanding during the year				
Loans and Advances				
-- Allsectech Manila Inc.	10	2	-	-
-- Allsectech Inc.	1,133	993	-	-

Notes

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



ALLSEC TECHNOLOGIES LIMITED

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

For details of loans, advances and guarantees given and securities provided to related parties, refer note 30.

32. Contingencies and commitments

Particulars	March 31, 2016	March 31, 2015
Commitments		
Capital contracts yet to be executed	41	19
Contingent liabilities		
Claims against the Company not acknowledged as debts*	109	109

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

The Company has pending assessments with local tax authorities for FY 2004 - FY 2013. However as these assessments are expected to have an impact only on the carried forward losses and unabsorbed depreciation that can be carried forward by the company and not give rise to a cash outflow, no amounts have been disclosed as contingent liability.

33. Earnings per share (EPS)

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

Particulars	March 31, 2016	March 31, 2015
Net profit / (loss) for calculation of basic and diluted EPS	948	(174)
Weighted average number of equity shares in calculating basic EPS (in lakhs)	152	152
Par value per share (Rs.)	10	10

34. Derivative instruments and unhedged foreign currency exposure

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

Notes

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



ALLSEC TECHNOLOGIES LIMITED

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

Particulars	Foreign Currency	March 31, 2016		March 31, 2015	
		Amount in Foreign Currency (in lakhs)	Amount in Indian Rupees	Amount in Foreign Currency (in lakhs)	Amount in Indian Rupees
Receivables	USD	1.90	126	19.91	1,240
	GBP	0.04	3	0.04	4
	EUR	0.01	1	0.01	0.37
Payables	USD	0.58	39	0.69	43
Bank balances	USD	2.05	136	0.56	35
	GBP	0.09	8	0.08	7
Investments	USD	95.30	4,813	100.30	5,107
Loan to subsidiary	USD	15.00	1,016	15.34	957

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments. The Company does not use forward contracts for speculative purposes. The following are the outstanding forward exchange contracts entered into by the Company as at March 31, 2016.

Particulars	March 31, 2016	March 31, 2015
	Receivable	Receivable
Number of Contracts	5	-
USD equivalent	11	-
INR equivalent	762	-

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

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

Notes

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



ALLSEC TECHNOLOGIES LIMITED

36. Value of imports calculated on CIF basis

Particulars	March 31, 2016	March 31, 2015
Capital goods	94	12

37. Expenditure in foreign currency (accrual basis)

Particulars	March 31, 2016	March 31, 2015
Connectivity cost	129	219
Selling commission	110	128
Foreign travel	57	41
Maintenance charges	1	4
Legal and professional charges	100	63
Staff Cost	-	31
Miscellaneous Expenses	-	28
Others	8	13
Total	405	527

38. Earnings in foreign currency (accrual basis)

Particulars	March 31, 2016	March 31, 2015
Service Income	3,719	3,270
Interest Income on loan to related party	78	36
Dividend from subsidiary	13	-

39. Previous year comparatives

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

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration No.: 101049W /E300004

Chartered Accountants

per Aniruddh Sankaran

Partner

Membership No: 211107

Place : Chennai

Date : May 20, 2016

For and on behalf of the Board of Directors

A. Saravanan

Director

K. Narasimhan

Chief Financial Officer

R. Jagadish

Director

A. Mohan Kumar

Company Secretary



ALLSEC TECHNOLOGIES LIMITED

*Consolidated Financial Statements
for the year ended March 31, 2016*

Auditors' Report

On Consolidated Financial Statements



ALLSEC TECHNOLOGIES LIMITED

To

The Members of Allsec Technologies Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Allsec Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing

standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

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

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for

Auditors' Report

On Consolidated Financial Statements



ALLSEC TECHNOLOGIES LIMITED

- the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group. Refer Note 29 to the consolidated financial statements;

- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

Other Matter

- (a) The accompanying consolidated financial statements include total assets of Rs. 4,884 Lakhs as at March 31, 2016, and total revenues and net cash outflows of Rs. 12,660 Lakhs and Rs. 522 Lakhs for the year ended on that date, in respect of three subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

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

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm's Registration Number: 101049W/E300004

per **Aniruddh Sankaran**

Partner

Membership Number: 211107

Place : Chennai

Date : 20th May, 2016.

Consolidated Balance Sheet

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	Notes	As at March 31, 2016	As at March 31, 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,524	1,524
Reserves and surplus	4	7,623	4,621
		<u>9,147</u>	<u>6,145</u>
Non current liabilities			
Long-term borrowings	5	256	779
Long-term provisions	6	53	51
		<u>309</u>	<u>830</u>
Current liabilities			
Short-term borrowings	7	-	85
Trade payables		-	-
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,084	879
Other current liabilities	8	1,786	1,318
Short-term provisions	9	327	359
		<u>4,197</u>	<u>2,641</u>
Total		<u>13,653</u>	<u>9,616</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	768	1,148
Intangible assets	10	1,463	1,504
Capital work-in-progress		33	31
Long-term loans and advances	11	1,437	2,160
Other non-current assets	12	7	288
Deferred Tax Asset		86	161
		<u>3,794</u>	<u>5,292</u>
Current assets			
Current investments	13	1,911	175
Trade receivables	14	5,855	2,946
Cash and bank balances	15	1,505	669
Short-term loans and advances	16	239	197
Other current assets	17	349	337
		<u>9,859</u>	<u>4,324</u>
Total		<u>13,653</u>	<u>9,616</u>

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

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

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration No.: 101049W/E300004

Chartered Accountants

per Aniruddh Sankaran Partner

Membership No: 211107

Place : Chennai

Date : May 20, 2016

For and on behalf of the Board of Directors

A. Saravanan

Director

R. Jagadish

Director

K. Narasimhan

Chief Financial Officer

A. Mohan Kumar

Company Secretary

Consolidated Profit and Loss Account

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	Notes	Year ended March 31, 2016	Year ended March 31, 2015
Income			
Revenue from operations	18	23,338	15,086
Other income	19	803	873
Total revenue (I)		<u>24,141</u>	<u>15,959</u>
Expenses			
Connectivity costs		362	499
Employee benefits expense	20	14,999	10,810
Other expenses	21	4,588	4,691
Total (II)		<u>19,949</u>	<u>16,000</u>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		<u>4,192</u>	<u>(41)</u>
Depreciation and amortization expense	10	755	1,101
Finance costs	22	184	163
Interest Income	23	(200)	(72)
Profit / (loss) before tax		<u>3,453</u>	<u>(1,233)</u>
Tax expenses			
Current tax		62	129
MAT Credit entitlement written off		-	44
MAT		264	-
MAT relating to earlier years		33	-
Total tax expense		<u>359</u>	<u>173</u>
Profit/(loss) after tax and before minority interest		<u>3,094</u>	<u>(1,406)</u>
Minority interest		-	-
Profit / (loss) after tax and minority interest		<u>3,094</u>	<u>(1,406)</u>
Earnings per equity share	30		
Net profit / (loss) available to equity shareholders		3,094	(1,406)
Basic earnings per share		20.30	(9.23)

Summary of significant accounting policies - Refer note 2.1 to the financial statements

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

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.: 101049W/E300004
Chartered Accountants

per Aniruddh Sankaran
Partner
Membership No: 211107

Place : Chennai
Date : May 20, 2016

For and on behalf of the Board of Directors

A. Saravanan
Director

K. Narasimhan
Chief Financial Officer

R. Jagadish
Director

A. Mohan Kumar
Company Secretary

Consolidated Cash Flow Statement

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	As at March 31, 2016	As at March 31, 2015
A. Cash flow from operating activities		
Profit / (Loss) before tax	3,453	(1,233)
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation / amortization on continuing operation	755	1,101
Impairment loss / Loss on fixed assets written off	26	12
Unrealized foreign exchange gain	(105)	(84)
Provision for bad & doubtful debts, Advances	7	74
Interest expenses	133	103
Net gain on sale of current investments	(73)	(77)
Liabilities No Longer Required	(2)	(177)
Interest income	(200)	(72)
Dividend income	(1)	-
Operating profit before working capital changes	3,993	(353)
Movements in working capital :		
Increase / (decrease) in trade payables and provisions	1,763	(380)
Decrease / (increase) in trade receivables	(2,916)	305
Decrease / (increase) in loans and advances	(46)	44
Decrease/(increase) in other assets	258	(279)
Cash generated from / (used in) operations	3,052	(663)
Direct taxes paid (net of refunds)	429	65
Net cash flow from / (used in) operating activities (A)	3,481	(598)
B. Cash flows from investing activities		
Purchase of fixed assets, including intangible assets	(380)	(280)
Proceeds from sale of fixed assets	50	49
(Investments in) / withdrawal from term deposits	(45)	(26)
Proceeds of current investments	6,934	2,478
Purchase of current investments	(8,671)	(1,504)
Interest received	211	66
Dividend received	1	1
Net cash flow from / (used in) investing activities (B)	(1,900)	784

Consolidated Cash Flow Statement

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	As at March 31, 2016	As at March 31, 2015
C. Cash flows from financing activities		
Proceeds from long-term borrowings	22	8
Repayment of long-term borrowings	(593)	(128)
Proceeds from short-term borrowings	-	84
Repayment of short-term borrowings	(85)	(81)
Interest paid	(133)	(103)
Net cash flow from/(used in) in financing activities (C)	(789)	(220)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	792	(34)
Effect of exchange differences on cash & cash equivalents held in foreign currency	(1)	1
Cash and cash equivalents at the beginning of the year	445	478
Cash and cash equivalents at the end of the year	1,236	445
D. Components of cash and cash equivalents		
Cash on hand	1	2
Cheques / Drafts on hand		
With banks - on current account*	1235	443
Total cash and cash equivalents (note 15)	1,236	445

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

*Restricted cash balance of Allsectech Inc represents five escrow accounts opened in order to comply with collection licenses requirements from various states amounting to Rs. 4.41 (March 31, 2015: Rs. 4.65).

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

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration No.: 101049W

Chartered Accountants

per Aniruddh Sankaran

Partner

Membership No: 211107

Place : Chennai

Date : May 20, 2015

For and on behalf of the Board of Directors

A. Saravanan

Director

R. Jagadish

Director

K. Narasimhan

Chief Financial Officer

A. Mohan Kumar

Company Secretary

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

1. Corporate information

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

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

- Allsectech Inc., USA ('Allsectech') - A wholly owned subsidiary of the Company incorporated on September 14, 2000 in the state of Delaware, USA. This subsidiary is engaged primarily in the business of providing marketing support services to the Company.
- Allsectech Manila Inc ('ATM') (formerly Kingdom Builders Inc, Philippines) - A wholly owned subsidiary of the company engaged in the business of IT enabled services including web development, web design, search engine optimization, strategic Teleservices, customer care and quality management. Allsec had acquired controlling interest in ATM on February 14, 2008.
- Retreat Capital Management Inc., USA ('Retreat') - The Company had acquired 66% of the outstanding equity capital of Retreat during 2011. In the previous years, the Company had acquired additional equity in Retreat, thereby increasing its holdings to 100% as at March 31, 2015. Retreat is engaged in the business of providing assistance in respect of mortgage processing and bankruptcy to lenders and financial institutions and providing anti-money laundering review services from USA.

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

2. Basis of preparation

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

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

2.1 Summary of significant accounting policies

Change in accounting policy

Classification of foreign operations for the purpose of consolidation:

- i. During the year, as at March 31, 2016, there is a change in classification of one of the subsidiaries, Allsectech Inc., USA, from integral to non- integral for the purpose of consolidation due to the change in the nature of operations. Had the change in classification not been done, shareholders' funds would have been higher by INR 15 for the year ended March 31, 2016. Had the change in classification been done with effect from April 01, 2014, the consolidated loss before tax would have been lower by INR 32 for the year ended March 31, 2015.

(a) Preparation of consolidation

- ii. The Consolidated Financial Statements ('CFS') of the Group have been prepared based on a line-by-line consolidation of the balance sheet as at March 31, 2016 and statement of profit and loss and cash flows of the Group for the year ended March 31, 2016.
- iii. The financial statements of the Subsidiaries considered for the purpose of consolidation are drawn for the same reporting period as that of the Company i.e. year ended March 31, 2016.

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

- iv. The CFS have been prepared using uniform accounting policies, except as stated otherwise, for similar transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- v. All material inter-company transactions and balances between the entities included in the CFS have been eliminated on consolidation.
- vi. Any excess / shortage of cost to the Company of its investment in the subsidiaries over its proportionate share in the equity of such subsidiaries as at the date of the investment are recognized as goodwill / capital reserve in the CFS.

(b) Use of estimates

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

(c) Tangible fixed assets

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

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

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

(d) Depreciation on tangible fixed assets

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

Asset Description	Useful Lives (Years)
Plant and machinery	3 - 10
Furniture and fixtures	10
Office Equipments	5
Vehicles	8

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

The assets of Allsectech aggregating to Rs. 229(1.83% of the total group assets) are depreciated using straight line method over its estimated useful life of three years for computers and accessories and five years for networking equipments and furniture and fixtures.

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

The assets of ATM aggregating to Rs. 1820(14.56% of the total group assets) are depreciated using the straight line method over its estimated useful life as follows:

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

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

The assets of Retreat aggregating to Rs. 1,398 (11.18% of the group assets) are depreciated using the straight line method over its estimated useful life as follows:

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

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

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

(e) Intangible assets

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

Computer software

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

Goodwill

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

(f) Leases

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

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

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

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

The Company has adopted 8 years as the useful life of vehicles taken on finance lease.

(g) Impairment of tangible and intangible assets

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

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

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

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

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

(h) Investments

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

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

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

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

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

(i) Revenue recognition

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

Income from IT Enabled services

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

Income from Mortgage and other Services

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

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

Dividend income

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

Interest

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

(j) Foreign currency translation

Foreign currency transactions and balances

i. Initial recognition

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

ii. Conversion

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

iii. Exchange difference

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

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

(iv) Forward exchange contracts

In relation to the forward contracts entered into to hedge the foreign currency risk of the underlying

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

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

Translation of integral and non-integral foreign operation

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

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

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

(k) Retirement and other employee benefits

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

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

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

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

The Group recognizes termination as a liability and an expense when the Group has a present obligation

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the Balance Sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields on government bonds at the Balance sheet date.

(l) Income taxes

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

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

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

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

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

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

(m) Employee stock compensation cost

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

**(n) Segment reporting****Identification of segments**

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

Segment accounting policies

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

(o) Earnings per share

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

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

(p) Provisions

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(q) Contingent liabilities

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

(r) Cash and cash equivalents

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

(s) Derivative instruments

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

(t) Measurement of EBITDA

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

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	As at March 31, 2016	As at March 31, 2015
3 Share capital		
Authorized shares		
20,000,000 [March 31, 2015: 20,000,000] Equity shares of Rs. 10/- each	2,000	2,000
1,350,000 [March 31, 2015: 1,350,000] Convertible Preference Shares of Rs. 100/- each	1,350	1,350
Issued, subscribed and fully paid-up shares		
15,238,326 [March 31, 2015: 15,238,326] Equity Shares of Rs. 10/- each fully paid up	1,524	1,524
Total issued, subscribed and fully paid-up share capital	1,524	1,524

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

Equity shares	March 31, 2016		March 31, 2015	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	15,238,326	1,524	15,238,326	1,524
Issued during the period	-	-	-	-
Outstanding at the end of the period	15,238,326	1,524	15,238,326	1,524

(b) Terms / rights attached to equity shares

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

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

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

Equity shares of Rs.10/- each fully paid

Name of shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Saravanan A	31,12,119	20.42%	27,37,119	17.96%
Jagadish R	30,36,952	19.93%	26,62,262	17.47%
First Carlyle Ventures Mauritius	47,02,858	30.86%	47,02,858	30.86%
Ashish Dhawan	-	-	10,75,115	7.06%

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

(d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 25.

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	As at March 31, 2016	As at March 31, 2015
4 Reserves and surplus		
Capital reserve	251	251
Securities premium reserve	12,019	12,019
General reserve	1,413	1,413
Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	(9,364)	(7,563)
Profit/(Loss) for the year	3,094	(1,406)
Transfer from Accumulated Depreciation*	-	(395)
Net deficit in the statement of profit and loss	<u>(6,270)</u>	<u>(9,364)</u>
Foreign currency translation reserve		
Balance, beginning of year	302	274
Add: Exchange difference during the year on net investment in non-integral operations	(92)	28
Net Foreign currency translation reserve	<u>210</u>	<u>302</u>
Total reserve and surplus	<u>7,623</u>	<u>4,621</u>
*The Company had adopted useful life for all the tangible fixed assets as indicated in Schedule II of the Companies Act, 2013. Based on the transitional provision given in Note 7(b) of Schedule II, an amount of Rs. 395 was adjusted to the balance carried forward (deficit) in the statement of profit and loss.		
5 Long-term borrowings		
Finance lease obligation (Secured) *	35	82
Line of Credit**	221	697
Total Long-term borrowings	<u>256</u>	<u>779</u>
*Finance lease obligations in Allsec India are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an average interest rate of "10% p.a." with repayment term of 5 years.		
*Finance lease obligations of Retreat are secured by equipments acquired which has an interest rate of 2.9 % p.a. with repayment term of 5 years.		
** Represents the line of credit taken by Retreat, which is secured against all business assets of the company. The line of credit carries interest @ 5.25 % p.a.		
6 Long-term provisions		
Provision for employee benefits		
Provision for gratuity [Note - 24]	53	51
Total Long-term provisions	<u>53</u>	<u>51</u>

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS	As at March 31, 2016	As at March 31, 2015
7. Short-term borrowings		
Bank overdraft (secured) *	-	85
Total Short-term borrowings	-	85
* The Company had an overdraft facility with a bank, which was secured against book debts of the Company. The overdraft was repayable on demand and carried interest @ 13.70 % p.a.		
8 Other current liabilities		
Trade payables	2,084	879
Other liabilities		
Current maturities of long-term borrowings (Includes current maturity of finance lease obligation and line of credit) *	528	576
Others		
- Advance received from customer	12	-
- Withholding and other tax payables	240	193
- Accrued salaries and benefits	861	488
- Foreign Currency Payable	5	-
- Other non trade payables	140	61
Total Other current liabilities	1,786	1,318
*Finance lease obligations in Allsec India are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an average interest rate of 10 % p.a. with repayment term of 5 years.		
*Finance lease obligations of Retreat are secured by equipments acquired which has an interest rate of 2.9 % p.a. with repayment term of 5 years. The line of credit carries interest @ 5.25 % p.a.		
9 Short-term Provisions		
Provision for employee benefits		
Provision for employee bonus	7	14
Provision for gratuity [Note - 24]	212	182
Provision for leave benefits	91	70
	310	266
Other provisions		
Provision for taxation	17	93
	17	93
Total Short-term provisions	327	359

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

10 Fixed assets

Particulars	Tangible assets						Intangible assets				
	Plant and machinery			Furniture and fixtures	Leasehold improvements	Vehicles #	Total	Goodwill on Acquisition	Computer software*	Goodwill on Consolidation	Total
	Computers and servers	Call centre equipment	Office equipment								
Cost or valuation as at April 1, 2014	2,899	3,230	954	940	1,969	293	10,285	254	2,102	1,530	3,886
Additions	102	10	43	14	81	8	258	-	149	-	149
Disposals	(153)	(42)	(12)	(7)	(286)	(86)	(586)	-	(11)	-	(11)
At March 31, 2015	2,848	3,198	985	947	1,764	215	9,957	254	2,240	1,530	4,024
Additions	94	144	28	23	60	20	369	-	211	-	211
Disposals	(256)	(64)	(47)	(52)	(61)	(42)	(522)	-	(8)	-	(8)
At March 31, 2016	2,686	3,278	966	918	1,763	193	9,804	254	2,443	1,530	4,227
Depreciation \ Amortization as at April 1, 2014	2,257	2,908	441	537	1,856	57	8,056	254	1,674	281	2,209
Charge for the year	343	136	154	132	79	41	885	-	320	-	320
Transfer to surplus/ (deficit) in the statement of profit and loss***	114	105	155	19	-	2	395	-	-	-	-
Disposals	(106)	(81)	(8)	(7)	(286)	(39)	(527)	-	(9)	-	(9)
At March 31, 2015	2,608	3,068	742	681	1,649	61	8,809	254	1,985	281	2,520
Charge for the year	138	155	89	118	153	27	680	-	245	-	245
Disposals	(260)	(64)	(36)	(39)	(39)	(15)	(453)	-	(1)	-	(1)
At March 31, 2016	2,486	3,159	795	760	1,763	73	9,036	254	2,229	281	2,764
Net Block											
At March 31, 2015	240	130	243	266	115	154	1,148	-	255	1,249	1,504
At March 31, 2016	200	119	171	158	(0)	120	768	-	214	1,249	1,463

Vehicles includes vehicles taken on finance lease: Gross block Rs. 180 (March 31, 2015: Rs. 178) ; Depreciation charge for the year Rs. 25 (March 31, 2015: Rs.23) ; Accumulated depreciation Rs. 67 (March 31, 2015: Rs. 45) ; Net book value Rs. 114 (March 31, 2015: Rs.133).

**** The Company had adopted useful life for all the tangible fixed assets as indicated in Schedule II of the Companies Act, 2013 as of April 01, 2014. Based on the transitional provision given in Note 7(b) of Schedule II, an amount of Rs. 395 was adjusted to the balance carried forward (deficit) in the statement of profit and loss.

@ Office Equipments includes equipments taken on finance lease: Gross block Rs. 166 (March 31, 2015: Rs. 157) ; Depreciation charge for the year Rs. 33 (March 31, 2015: Rs.31) ; Accumulated depreciation Rs. 94 (March 31, 2015: Rs. 57) ; Net book value Rs. 72 (March 31, 2015: Rs100).

Additions and Depreciation charge for the current year include foreign currency translation adjustment arising on consolidation of a foreign subsidiary aggregating Rs.201 and Rs.170 respectively.

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

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS		As at March 31, 2016	As at March 31, 2015
11	Long-term loans and advances (Unsecured, considered good unless stated otherwise)		
	Security deposit	560	557
	Other loans and advances		
	Advance income-tax (net of provision for taxation)	871	1,598
	Prepaid expenses	6	5
	Total Long-term loans and advances	1,437	2,160
12	Other assets (Unsecured, considered good unless stated otherwise)		
	Other non-current assets		
	Non-current bank balances	7	285
	Others		
	Interest accrued on fixed deposits	-	3
	Total Other non-current assets	7	288
13	Current investments		
	Current Investments (valued at lower of cost and fair value, unless stated otherwise)		
	Quoted mutual funds	1,911	175
	Total Current investments	1,911	175
	Aggregate amount of quoted investments (Net asset value)	1,918	187

Details of current investments

Current investments in mutual funds comprise:

Name of Mutual fund	March 31, 2016 No of units (in lakhs)	Amount
Baroda Pioneer Treasury Advantage Fund - Plan A Growth	0.06	104
Baroda Pioneer Treasury Advantage Fund - Plan B Growth	0.04	75
Birla Sun Life Floating Rate Fund-Long Term-Growth-Regular Plan	0.57	104
Canara Robeco Savings Plus Fund - Regular Growth	6.56	154
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth	7.73	157
Franklin India Treasury Management Account - Super Institutional Plan - Growth	0.02	50
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	5.63	146
Kotak Low Duration Fund Standard Weekly Dividend (Regular Plan)	0.10	103
Kotak Treasury Advantage Fund - Growth (Regular Plan)	4.19	101
DHFL Pramerica Insta Cash Plus Fund - Growth	0.27	53

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

Name of Mutual fund	March 31, 2016 No of units (in lakhs)	Amount
Taurus Liquid Fund - Regular Plan - Super Insti Growth	0.03	54
Taurus Ultra Short Term Bond Fund - Regular Plan - Super Insti Growth	0.06	101
Principal Debt Opportunities Fund Conservative Plan-Regular Plan Growth	0.08	180
Lic Nomura MF Liquid Fund - Growth Plan	0.05	128
HSBC Cash Fund - Growth	0.03	51
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	0.01	50
Reliance Fixed Horizon Fund - XXX - Series 9 - Growth Plan	10.06	100
Religare Invesco Credit Opportunities Fund - Growth	0.06	100
Religare Invesco Medium Term Bond Fund - Direct Plan Growth	0.06	100
Total		1,911

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

PARTICULARS	As at March 31, 2016	As at March 31, 2015
14 Current trade receivable (unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	-	4
- Considered doubtful	31	35
Less: Provision for doubtful receivables	(31)	(35)
	<u>-</u>	<u>4</u>
Other receivables, considered good	<u>5,855</u>	<u>2,942</u>
Total Current trade receivable	5,855	2,946

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS		As at March 31, 2016	As at March 31, 2015
15	Cash and bank balances		
	Current		
	Cash and cash equivalents		
	Balances with banks:		
	- On current accounts	1,235	443
	Cash on hand	1	2
		<u>1,236</u>	<u>445</u>
	Other bank balances		
	- Margin money deposit @	269	224
		<u>269</u>	<u>224</u>
		<u>1,505</u>	<u>669</u>
	Non-current		
	Other bank balances		
	- Margin money deposit@	7	285
		<u>7</u>	<u>285</u>
	Amount disclosed under non-current assets [Note 12]	<u>(7)</u>	<u>(285)</u>
	Total Cash and bank balances	<u>1,505</u>	<u>669</u>

*Restricted cash balance of Allsectech Inc represents five escrow accounts opened in order to comply with collection licenses requirements from various states. Amounting to Rs. 4.41 (March 31, 2015: Rs. 4.65)

@ Margin money deposits with a carrying amount of Rs. 276, (March 31, 2015: Rs. 509) are subject to first charge to secure the Company's letter of credit and guarantee.

16	Short-term loans and advances		
	(Unsecured, considered good unless stated otherwise)		
	Security deposit	1	-
	Unsecured, considered good	29	27
	Other loans and advances		
	Prepaid expenses	190	145
	Balances with statutory / government authorities	19	25
	Total Short-term loans and advances	<u>239</u>	<u>197</u>

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS		As at March 31, 2016	As at March 31, 2015
17	Other Current Assets (Unsecured, considered good unless stated otherwise)		
	Others		
	Interest accrued on fixed deposits	18	26
	Unbilled revenues	331	311
	Total Other Current Assets	349	337
18	Revenue from operations		
	Income from IT enabled services	23,338	15,086
		23,338	15,086
19	Other income		
	Dividend income on current investments	1	-
	Net gain on sale of current investments	73	77
	Exchange differences (net)	173	67
	Liabilities no longer required written back	2	177
	Rental income	554	464
	Miscellaneous income	-	88
		803	873
20	Employee benefit expenses		
	Salaries, wages and bonus	13,755	9,415
	Contribution to provident and other fund	587	740
	Gratuity expense [Note - 24]	84	104
	Staff welfare expenses	431	450
	Recruitment and training	142	101
		14,999	10,810

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

PARTICULARS		As at March 31, 2016	As at March 31, 2015
21	Other Expenses		
	Electricity	635	628
	Rent and amenities	1,407	1,414
	Rates and taxes	92	122
	Insurance	58	105
	Repairs and maintenance		
	Plant and machinery	416	533
	Others	259	259
	Security charges	207	165
	Other selling expenses	36	138
	Travelling and conveyance	309	311
	Communication costs	154	203
	Legal and professional fees	844	589
	Provision for bad and doubtful debts on Advances	7	74
	Loss on sale of fixed assets (net) / loss on fixed assets written off	26	12
	Miscellaneous expenses	138	138
		<u>4,588</u>	<u>4,691</u>
	# Payment to auditor (Included under legal and professional fees)		
	As auditor:		
	Audit fee	24	26
	In other capacity:		
	Other services (certification fees)	2	3
		<u>26</u>	<u>29</u>
22	Finance costs		
	Interest on secured borrowings	126	98
	Interest - Others	7	5
	Bank charges	51	60
		<u>184</u>	<u>163</u>
23	Interest income		
	on Bank deposits	44	44
	on Others	156	28
		<u>200</u>	<u>72</u>

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

24. Gratuity benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rupees 10 lakhs.

The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

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

Statement of Profit and Loss account

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	31	22
Interest cost on benefit obligation	18	18
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	35	64
Net employee benefit expense	84	104

Balance sheet

Details of provision for gratuity

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation	(277)	(250)	(198)	(207)	(192)
Fair value of plan assets	13	17	-	9	2
Plan asset / (liability)	(264)	(233)	(198)	(198)	(190)
Experience adjustment on plan asset	(1)	-	-	-	(1)

Experience adjustment on plan liabilities was loss of Rs. 29 (March 31, 2015: loss of Rs. 44; March 31, 2014: loss of Rs. 13; March 31, 2013 gain of Rs.6; March 31, 2012: gain of Rs. 5).

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

Particulars	As at March 31, 2016	As at March 31, 2015
Opening defined benefit obligation	250	198
Interest cost	20	18
Current service cost	31	22
Benefits paid	(57)	(52)
Actuarial (gains) / losses on obligation	33	64
Closing defined benefit obligation	277	250

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

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

Particulars	As at March 31, 2016	As at March 31, 2015
Opening fair value of plan assets	17	-
Expected return	2	-
Contributions by employer	52	69
Benefits paid	(57)	(52)
Actuarial gains / (losses)	(1)	-
Closing fair value of plan assets	13	17
Actual return on plan assets	-	-

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

Particulars	As at March 31, 2016	As at March 31, 2015
Investments with insurer	100%	100%

Assumptions

Particulars	As at March 31, 2016	As at March 31, 2015
Discount rate	7.79%	7.90%
Expected return on plan assets	7.79%	7.90%

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

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

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

25. Employee stock option plans

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

Employee Stock Option Scheme (ESOS), 2010

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

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

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

Particulars	As at March 31, 2016 (No of options)	As at March 31, 2015 (No of options)
Options outstanding, beginning of year	268,000	391,000
Options granted during the year	-	-
Options exercised during the year	-	-
Options lapsed during the year	268,000	123,000
Options outstanding, end of year	-	268,000
Options outstanding at the year- end comprise :		
- Options eligible for exercise at year end	-	268,000
- Options not eligible for exercise at year end	-	-
Weighted average remaining contract life of options (granted in August 2010)	-	0 year 4 months
Weighted average remaining contract life of options (for 100,000 options granted on August 02, 2012)	-	-
Vesting period of options		
-50% of the options – one year from the date of grant		
-50% of the options – two years from the date of grant		

The summary of the movements in options is as follows:

Particulars	No of options (2015-16)	Weighted average exercise price (Rs.)	No of options (2014-15)	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	268,000	45.05	391,000	45.05
Granted during the year	-	-	-	-
Lapsed during the year	268,000	45.05	23,000	45.05
Lapsed during the year	-	41.25	100,000	41.25
Outstanding at the end of the year				
Granted in August 2010	-	45.05	268,000	45.05
Granted on August 2012	-	41.25	-	41.25

Particulars	As at March 31, 2016	As at March 31, 2015
Weighted average share price at the date of exercise (Rs.)	NA	NA
Range of share price of options outstanding at the year end (Rs.)	NA	NA

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

Pro-forma Disclosures for ESOS 2010

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

Particulars	Profit / (Loss) after tax	Basic EPS (Rs.)	Diluted EPS (Rs.)
Year ended March 31, 2016			
- Amounts as reported	3,094	20.30	20.30
- Amounts as per pro-forma	3,094	20.30	20.30
Year ended March 31, 2015			
- Amounts as reported	(1,406)	(9.23)	(9.23)
- Amounts as per pro-forma	(1,406)	(9.23)	(9.23)

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

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

The expected volatility was determined based on historical volatility data.

26. Leases

Finance leases

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

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

Particulars	March 31, 2016	March 31, 2015
Total as at year end		
Minimum lease payments	74	109
Less: Finance charges	8	15
Present value	66	94
Not later than one year		
Minimum lease payments	36	42
Less: Finance charges	5	8
Present value	31	34
Later than one year but not later than five years		
Minimum lease payments	38	66
Less: Finance charges	3	6
Present value	35	60
Later than five years		
Minimum lease payments	Nil	Nil
Less: Finance charges	Nil	Nil
Present value	Nil	Nil

Finance lease obligations of Retreat are secured by equipments. The lease terms range between 3 and 5 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

Particulars	March 31, 2016	March 31, 2015
Total as at year end		
Minimum lease payments	21	157
Less: finance charges	1	5
Present value	20	152
Not later than one year		
Minimum lease payments	21	134
Less: finance charges	1	5
Present value	20	129
Later than one year but not later than five years		
Minimum lease payments	-	20
Less: finance charges	-	1
Present value	-	19

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

Operating leases

Office premises in India are obtained under operating lease. Lease rentals incurred during the year of Rs. 885 (previous year: Rs. 883) have been charged as an expense in the statement of profit and loss account. The lease terms vary between 3 and 9 years. There are no restrictions imposed by lease arrangements. There are no subleases. The future lease rentals payable are as follows:

Particulars	March 31, 2016	March 31, 2015
Upto 1 year	759	777
1 to 5 years	1,905	2,631
Beyond 5 years	-	45
Total	2,664	3,453

Allsectech Manila Inc has entered into an operating lease. Lease rentals incurred during the year of Rs. 365 (previous year: Rs. 342) have been charged as an expense in the statement of profit and loss. The lease terms vary between 1 and 3 years. There are no restrictions imposed by lease arrangements. The future lease rentals payable are as follows:

Particulars	March 31, 2016	March 31, 2015
Upto 1 year	305	206
1 to 3 Years	546	-
Total	851	206

Retreat Management Inc has entered into an operating lease. Lease rentals incurred during the year of Rs 157 (previous year: Rs. 189) have been charged as an expense in the statement of profit and loss. The lease terms vary between 1 and 3 years. There are no restrictions imposed by lease arrangements. There are no subleases. The future lease rentals payable are as follows:

Particulars	March 31, 2016	March 31, 2015
Upto 1 year	136	82
1 to 3 Years	236	-
Total	372	82

27. Segment information

- The Group's operations predominantly related to IT enabled services for customers located in India and outside India and Mortgage Services to the customers outside India, till March 31, 2015. With effect from April 01, 2015, the Group operates in a single segment, "IT enabled services." The Group has considered geography as the secondary segment based on the location of the customers.
- Segment accounting policies

The group prepares its segment information in conformity with the Accounting policies adopted for preparing and presenting the financial statement of the group as a whole.

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

Particulars	IT Enabled Services		Mortgage Processing Service		Elimination entries		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Total revenue (net)	23,338	12,670	-	3,886	-	(1,470)	23,338	15,086
Segment result	2,634	(589)	-	(1,426)	-	-	2,634	(2,015)
Unallocated corporate expenses / (income)		-	-	-	-	-		
Operating profits	2,634	(589)	-	(1,426)	-	-	2,634	(2,015)
Interest Expense	184	64	-	99	-	-	184	163
Interest income	200	72	-	-	-	-	200	72
Other non-operating income	803	873	-	-	-	-	803	873
Tax Expenses/ (Income)	359	81	-	92	-	-	359	173
Net profit after tax	3,094	211	-	(1,617)	-	-	3,094	(1,406)
Segment assets	13,653	14,006	-	1,356	-	(5,746)	13,653	9,616
Unallocated corporate assets	-		-		-	-	-	-
Total assets	13,653	14,006	-	1,356	-	(5,746)	13,653	9,616
Segment liabilities	4,506	2,472	-	6,745	-	(5,746)	4,506	3,471
Unallocated corporate liabilities	-	-	-	-	-	-	-	-
Total liabilities	4,506	2,472	-	6,745	-	(5,746)	4,506	3,471
Capital expenditures	580	330	-	77	-	-	580	407
Depreciation and amortization	755	696	-	405	-	-	755	1,101

The Group has considered geographical segment as the secondary segment, based on the location of the customers invoiced.

Information about secondary segments	March 31, 2016	March 31, 2015
Revenue from services		
United States of America	14,713	7,458
United Kingdom	366	875
India	7,117	6,477
Others	1,142	276
Total	23,338	15,086

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

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

28 Related party disclosures

1. Names of related parties

Relationship	Name of the party
Key management personnel	Related parties under AS 18 with whom transactions have taken place during the year
	Whole time directors in Allsec Technologies Limited a) A. Saravanan b) R. Jagadish
Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year	
	a) K Narasimhan - Chief Financial Officer, Allsec Technologies Limited b) A. Mohan Kumar - Company Secretary, Allsec Technologies Limited

2. Transactions with related parties:

Particulars	Key Management	
	March 31, 2016	March 31, 2015
Remuneration - Whole time Directors	280	241
Remuneration – Other key management personnel	64	61

29. Contingencies and commitments

Particulars	March 31, 2016	March 31, 2015
Commitments		
Capital contracts yet to be executed	41	19
Contingent liabilities		
Claims against the Company not acknowledged as debts*	109	109

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

The Company has pending assessments with local tax authorities for FY 2004 - FY 2013. However as these assessments are expected to have an impact only on the carried forward losses and unabsorbed depreciation that can be carried forward by the company and not give rise to a cash outflow, no amounts have been disclosed as contingent liability.

Consolidated Notes

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



ALLSEC TECHNOLOGIES LIMITED

30. Earnings per share (EPS)

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

Particulars	March 31, 2016	March 31, 2015
Net profit / (loss) for calculation of basic and diluted EPS	3,094	(1,406)
Weighted average number of equity shares in calculating basic EPS (Nos in lakhs)	152	152
Par value per share (Rs.)	10	10

31. Retreat has recognized deferred tax asset on carry forward losses, to the extent that it is virtually certain that it would be able to utilize such taxable losses against the taxable profits of the earlier years, as per the local regulations in its jurisdiction. The other subsidiaries and the Company has not recognised deferred tax assets arising primarily on account of carried forward tax losses and unabsorbed depreciation, as subsequent realization of such amounts is not virtually certain.

32. Additional information required as per schedule-III:

Name of the entity	Net Assets ie, total assets minus total liabilities		Share in profit or loss	
	As a % of consolidated assets	Amount	As a % consolidated profit or loss	Amount
Parent	133%	12,134	31%	948
Foreign subsidiaries:				
Allsectech Inc	-9%	(865)	13%	400
Allsectech Manila Inc	-14%	(1,261)	21%	652
Retreat Capital Management Inc	-9%	(860)	35%	1,094
Total	100%	9,147	100%	3,094

33. Previous year figures

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

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration No.: 101049W / E300004

Chartered Accountants

For and on behalf of the Board of Directors

per Aniruddh Sankaran

Partner

Membership No: 211107

A. Saravanan

Director

R. Jagadish

Director

Place : Chennai

Date : May 20, 2016

K. Narasimhan

Chief Financial Officer

A. Mohan Kumar

Company Secretary



ALLSEC TECHNOLOGIES LIMITED

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

Corp. Office: 46B Velachery Main Road, Velachery, Chennai 600 042.

M/r./Ms _____

MEMBER ☐

PROXY ☐

(Please tick as applicable)

- Note:
1. The Proxy form should be filled in full and the proxy form signed across revenue stamp should reach the share Transfer Agents M/s. Karvy of the Registered Office of the Company at least 48 hours before the scheduled time of the meeting.
 2. Only Shareholders of the Company of their proxies will be allowed to attend the Meeting ON PRODUCTION OF THIS ATTENDANCE SLIP duly completed and signed.
 3. Shareholders who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.

ATTENDANCE SLIP

Date & Time

Thursday
11th August 2016
3.30 P.M.

Venue

Narada Gana Sabha,
Mini Hall, 314, TTK Salai,
Alwarpet, Chennai 600018

Folio No.

No. of Shares

DEMAT PARTICULARS

DP ID No.

I N

Client ID No.

I hereby record my presence at the
17th Annual General Meeting of the Company

Signature of Member / Proxy



ALLSEC TECHNOLOGIES LIMITED

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

Corp. Office: 46B Velachery Main Road, Velachery, Chennai 600 042.

DP ID No.

I

N

Client ID No.

FORM OF PROXY

Folio No.

No. of Shares held

I / We of

(Address)

being Member of ALLSEC TECHNOLOGIES LIMITED hereby appoint

(Name of Proxy)

(Address of Proxy)

(Name of alternate proxy)

(Address of alternate proxy)

Proxy to vote for me / us on my / our behalf at the 17th ANNUAL GENERAL MEETING of the Company to be held at 3.30 P.M. on Thursday, the 11th August 2016 and at any adjournment thereof.

Dat:

Signature

Re. 1
Revenue
Stamp