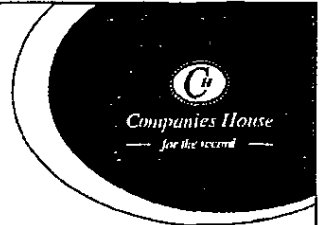


OS AA01

Statement of details of parent law and other information for an overseas company



Flowchart

136547/20

What this form is for
You may use this form to accompany your accounts disclosed under parent law

What this form is NO
You cannot use this form for an alteration of manner with accounting require

THURSDAY



A33LVJ7Q
A27 13/03/2014 #49
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ①

ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

If the company has already been registered in the UK, please enter the establishment number below

UK establishment number ②

B | R | 0 | 1 | 4 | 9 | 1 | 3

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

① This is the name of the company in its home state

② This should only be completed if the company has already been registered in the UK

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited

Legislation ③

INDIAN COMPANIES ACT 1956

③ This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

No Go to Section A3

Yes. Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3.

④ Please insert the name of the appropriate accounting organisation or body

Name of organisation or body ④

CENTRAL GOVERNMENT OF INDIA

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

No Go to Section A5

Yes. Go to Section A4

OS AA01

Statement of details of parent law and other information for an overseas company

A4

Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box

No Go to Part 3 'Signature'

Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'

① Please insert the name of the appropriate accounting organisation or body

Name of organisation or body ①

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

A5

Unaudited accounts

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box

No.

Yes.

Part 3

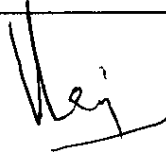
Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X



X

This form may be signed by
Director, Secretary, Permanent representative

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name
KINGSTON SMITH LLP

Address
DEVONSHIRE HOUSE

60 GOSWELL ROAD

Post town
LONDON

County/Region

Postcode
E C 1 M 7 A D

Country

DX

Telephone
020 7566 4000

Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following:

- The company name and, if appropriate, the registered number, match the information held on the public Register.
- You have completed all sections of the form, if appropriate.
- You have signed the form.

Important information

Please note that all this information will appear on the public record.

Where to send

You may return this form to any Companies House address:

England and Wales.

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland.

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

**ACCORD SOFTWARE & SYSTEMS
PRIVATE LIMITED**

**ACCOUNTS
FOR THE YEAR ENDED
31.03.2013**

THURSDAY



A27 *A33LVJAQ* 13/03/2014 #63
COMPANIES HOUSE

Varma & Varma
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Accord Software and Systems Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of ACCORD SOFTWARE AND SYSTEMS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31st, 2013, and the Profit and Loss Statement, 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance in accordance with the Companies Act, 1956 ("the Act") including Accounting Standards referred to in sub-section (3C) of section 211 of the Act This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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

Varma & Varma
Chartered Accountants

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2013;
- (b) In the case of the Profit and Loss Statement, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order

As required by section 227(3) of the Act, we report that-

a we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit,

b in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us,

c the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us,

d in our opinion, the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e on the basis of written representations received from the directors as on March 31st, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956

For VARMA & VARMA
Chartered Accountants
FRN 0045325


CHERIAN K BABY

Partner

M No 16043

Place Bangalore
Date 15/06/2013

Varma & Varma
Chartered Accountants

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED FOR THE YEAR ENDED 31ST MARCH 2013

- 1 (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets, which however requires updating.
 - (b) We are informed by the management that computers and data processing equipments are verified every year and for other assets, it has a fixed asset verification programme wherein most of the fixed assets of the company will be physically verified at an interval which, in our opinion needs to be improved having regard to the size of the company and nature of assets. No physical verification of such assets has been carried out during the year.
 - (c) The company has not disposed off a substantial part of the fixed assets during the year.
- 2 (a) We are informed that physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion frequency of the verification is reasonable.
 - (b) In our opinion and according to the explanations given to us, the procedures of physical verification of inventory followed by the management are fairly reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory and as informed to us no discrepancies of material nature noticed on physical verification by the management.
- 3 (a) During the year the Company has granted unsecured loans aggregating to Rs 1,65,59,358/- to three parties covered in the register maintained u/s 301 of the Companies Act. At the year-end, the outstanding balances of such loans granted aggregated to Rs 6,68,01,706/- and the maximum amount involved during the year was Rs 6,68,01,706/-.
 - (b) In case of these loans there is no fixed repayment schedule. Management has charged interest on such loans disbursed during the year except loan given to the Director, at rates which, in our opinion, is prima facie not prejudicial to the interests of the Company.
 - (c) In respect of the outstanding loans, no repayment schedule has been fixed and hence no amount is considered as overdue.

Varma & Varma
Chartered Accountants

- (d) The company had taken loans on various occasions during the year, aggregating to Rs 1,20,00,000/- from one party covered in the register maintained under section 301 of the Companies act 1956. The maximum amount outstanding at any time during the year was Rs 60,00,000/ and the year end balance was Nil
- (e) The interest bearing loans taken from that party were duly repaid and the terms and conditions are not considered prima facie prejudicial to the interests of the Company
- 4 In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business for the purchase of fixed assets and for the sale of services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal controls
- 5 (a) In our opinion, and according to the information and explanations given to us, all the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register to be maintained under that section
- (b) Where each of such transactions is in excess of Rs 5 lakhs in respect of any party, they have been made at cost/negotiated prices and they either compare favourably with market prices or there are no comparable prices.
- 6 The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act 1956 and the rules framed there under are not applicable to the Company.
- 7 In our opinion, the company has an internal audit system commensurate with the size of the company and the nature of its business
- 8 We have relied on the compliance report by a Cost Audit Firm regarding the maintenance of the prescribed records who have concluded that proper cost records, as per Companies (Cost Accounting Records) Rules, 2011 prescribed under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956, have been maintained by the company.
- 9 (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been regular in depositing all material amounts of undisputed statutory dues on account of Provident Fund, Employee State Insurance, Income Tax, Service Tax and other statutory dues as applicable to the company with the appropriate authorities during the year. There are no arrears of undisputed statutory dues of a material nature outstanding, for a period of more than six months from the date on which they became payable.

Varma & Varma
Chartered Accountants

- (b) According to the information and explanations given to us and as per our verification of the records of the Company, there are no dues of sales tax including K-VAT, income tax, customs duty or service tax which is the subject matter of any dispute
- 10 As per the information and explanations given by the management, the company has not defaulted in repayment of its dues to bank during the year, except for the last installment of a term loan amounting to Rs 9,99,825/- due in March 2013 which has been subsequently collected by the bank on 2nd April 2013 as per its practice
- 11 According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, and hence the reporting requirements under clause 4(xii) of the Order are not applicable
- 12 In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society, and hence the reporting requirements under clause 4(xiii) of the Order are not applicable
- 13 In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments, and hence the reporting requirements under clause 4(xiv) of the Order are not applicable
- 14 According to the information and explanations given to us and as per the verification of the records of the company, guarantees amounting to Rs 237,49,687/- given by the company for the working capital facilities availed from a bank by a step down subsidiary of the company is not prejudicial to the interests of the company
- 15 According to the information and explanations given to us and the records of the company examined by us no term loans were obtained by the company during the year other than vehicle loans which were applied for the purpose for which they were obtained
- 16 In our opinion and according to the information and explanations given to us and the records of the company examined by us, we report that funds raised on short-term basis have not been used for making long-term investment
- 17 The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956
- 18 The company has not issued any debentures, and hence the reporting requirements under clause 4(xix) of the order are not applicable

7

Varma & Varma
Chartered Accountants

- 19 The Company has not raised money by public issues during the year, and hence the reporting requirements under clause 4(xx) of the order are not applicable
- 20 According to the information and explanations given to us and the records of the company examined by us, no instance of fraud on or by the company has been noticed or reported during the year.

For VARMA & VARMA
Chartered Accountants
FRN 004532S



CHERIAN K BABY

Partner

M No 16043

Place Bangalore
Date 15/06/2013

ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Balance Sheet as at 31st March


	Note No	2013 ₹	2012 ₹
I EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2	18,150,000	18,150,000
(b) Reserves and Surplus	3	273,243,752	179,244,212
Non-Current Liabilities			
(a) Long term borrowings	4	2,191,353	1,910,456
(b) Deferred tax liabilities (Net)	5	10,477,349	19,207,626
(c) Long term provisions	6	2,234,473	2,266,106
Current Liabilities			
(a) Short term borrowings	7	81,709,916	63,493,424
(b) Trade payables	8	19,337,074	17,079,044
(c) Other current liabilities	9	88,733,200	106,478,338
(d) Short term provisions	10	18,590,291	50,205,554
		514,667,407	458,034,759
II ASSETS			
Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		73,925,480	67,312,586
(ii) Intangible assets		29,662,181	38,984,293
(iii) Intangible assets under development		659,525	506,335
(b) Non current investments	12	4,384	-
(c) Long term loans and advances	13	81,965,136	58,084,298
(d) Other non current assets	14	269,433	1,460,931
Current assets			
(a) Inventories	15	42,010,695	31,126,882
(b) Trade receivables	16	191,135,140	183,933,987
(c) Cash and Bank Balances	17	66,400,050	53,470,367
(d) Short term loans and advances	18	24,469,614	21,498,503
(e) Other current assets	19	4,165,769	1,656,576
		514,667,407	458,034,759

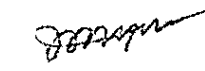
Significant accounting policies and other notes to accounts


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27-44

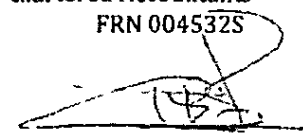
As per our separate report of even date attached

For VARMA & VARMA
Chartered Accountants
FRN 004532S


J M Sundaresan
Managing Director


V Narayanasamy
Director


V Ravi
Chief Financial Officer
& Company Secretary


Cherian K Baby
Partner
M No. 16043

Place Bangalore
Date : 15 6 2013

Place . Bangalore
Date : 15 6 2013



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Profit and Loss Statement for the year ended 31st March

	Note No	2013 ₹	2012 ₹
I Revenue from Operations:			
(a) Revenue From Operations	20	675,399,600	513,259,035
(b) Less Excise duty		2,004,121	249,119
Total Revenue from Operations		673,395,479	513,009,916
II. Other Income	21	21,778,801	24,635,683
Total Revenue		695,174,280	537,645,599
III. Expenditure			
(a) Cost of materials consumed	22	98,753,164	56,421,913
(b) Changes in inventories of work-in-progress and finished	23	(22,692,374)	(3,818,023)
(c) Employee benefit expense	24	338,622,602	270,350,464
(d) Finance costs	25	12,169,081	12,582,794
(e) Depreciation and amortization expense		32,398,837	11,332,497
(f) Other expenses	26	111,352,723	82,332,884
Total Expenditure		570,604,033	429,202,528
IV. Profit before tax		124,570,247	108,443,071
V Tax expense			
(a) Current tax		27,266,881	22,043,866
(b) Current tax of earlier years		1,486,911	-
(c) Deferred tax (gain)/charge [refer note 5]		(8,730,277)	14,512,958
VI. Profit/(Loss) for the year after tax		104,546,732	71,886,247
VII Earnings per equity share:			
Number of Equity Shares of Rs 10/- each		1,815,000	1,815,000
(1) Basic		57.60	39.61
(2) Diluted		57.60	39.61

Significant accounting policies and other notes to accounts

1 &
27-44

As per our separate report of even date attached

For VARMA & VARMA
Chartered Accountants
FRN 004532S

J.M. Sundaresan
J M Sundaresan
Managing Director

V Narayanasamy
Director

V Ravi
Chief Financial Officer
& Company Secretary

Cherian K Baby
Partner
M No 16043

Place : Bangalore
Date 15.6.2013

Place : Bangalore
Date : 15.6.2013



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March

	2013 ₹	2012 ₹
A CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation and extraordinary items	124,570,247	108,443,071
Adjustments for:		
Depreciation and amortization expenses	32,398,837	11,332,497
Finance Costs	12,169,081	15,827,080
Loss on sale of fixed assets	262,975	1,226,878
Interest received	(4,566,847)	(7,557,300)
Foreign Exchange Gain (net)	(6,798,341)	(16,116,992)
OPERATING PROFIT BEFORE THE CHANGES IN WORKING CAPITAL	158,035,952	113,155,234
(Increase)/ Decrease in Inventories	(10,883,813)	(11,082,944)
(Increase)/ Decrease in Trade Receivables	(7,331,153)	2017141
(Increase)/ Decrease in Loans and Advances	(27,588,976)	(44,030,309)
(Increase)/ Decrease in Other Current Assets	(614,000)	-
Increase/ (Decrease) in Trade Payables	2,258,030	29228938
Increase/ (Decrease) in Other Current Liabilities	(14,913,260)	11142473
Increase/ (Decrease) in Provisions	2,951,701	(1,522,001)
CASH GENERATED FROM OPERATIONS	101,914,480	98,908,532
Income Tax paid including for prior year (Net)	(53,219,263)	(25,803,510)
NET CASH GENERATED FROM OPERATING ACTIVITIES - (A)	48,695,217	73,105,022
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(30,830,902)	(55,273,982)
Incremental Fixed deposit	(3,007,450)	(3,448)
Interest received	3,993,152	4786427
Proceeds on sale of fixed assets	725,118	706491
Investment in subsidiary	(1,384)	-
NET CASH USED IN INVESTING ACTIVITIES - (B)	(29,124,466)	(49,784,513)
C CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/ Proceeds from long term borrowings	(2,561,662)	(5,701,870)
(Repayment)/ Proceeds from short term borrowings	18,216,491	15,285,285
(Increase)/Decrease in Margin money deposit and deposits which are offered as security to bank	4,832,394	(28,630,500)
Dividend (Including Dividend distribution tax)	(21,094,838)	(5,273,596)
Finance Costs	(11,006,852)	(14,409,670)
Foreign Exchange Gain (net)	6,798,341	16,116,992
NET CASH USED IN FINANCING ACTIVITIES - (C)	(4,816,124)	(22,613,359)
NET CASH FLOWS DURING THE YEAR (A+B+C)	14,754,627	707,149
Cash and cash equivalents at beginning of reporting period	2,846,997	2,139,848
Cash and cash equivalents at end of reporting period	17,601,624	2,846,997

Note

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 notified under Companies (Accounting Standard) Rules, 2006

As per our separate report of even date attached

For VARMA & VARMA
Chartered Accountants
FRN 0045325

J.M. Sundaresan
J M Sundaresan
Managing Director

V Narayanasamy
V Narayanasamy
Director

V Ravi
V Ravi
Chief Financial Officer
& Company Secretary

Cherian K Baby
Cherian K Baby
Partner
M No 16043

Place Bangalore
Date 15.6.2013

Place Bangalore
Date 15.6.2013

ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Accounts for the year ended 31st March 2013

1 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of Financial Statements:

The financial statements are prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 1956 and the Accounting Standards contained in the Companies (Accounting Standards) Rules, 2006 (Indian GAAP) as adopted consistently by the company

b Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reported period. Although such estimates were on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and such differences are recognized in the period in which the results are ascertained

c Revenue Recognition

- (i) Revenue from sale of systems is recognised on delivery as per the terms of the contract. Sales are recorded net of value added tax.
- (ii) Revenue from fixed price contracts for development and manufacture of products is recognised under the percentage of completion method wherein revenue is recognised based on services performed to date as a percentage of total services to be performed
- (iii) Revenue from software development in case of time basis contracts and other revenue are recognised as the services are provided
- (iv) Revenue in excess of billings on service contracts is recorded as unbilled receivables and is included in trade receivables. Advance payments/ billed in advance of services performed are recorded as current liabilities/ deferred income.
- (v) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

d. Fixed Assets and Depreciation

- (i) Tangible fixed assets are stated at the cost of acquisition, less accumulated depreciation. Direct costs specifically attributable to the acquisition and installation of fixed assets like freight and other costs are capitalised till the assets are ready to be put to use. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Borrowing costs on specific borrowings made for acquisition of qualifying assets relating to the period until it is ready for use is capitalised to the cost of asset.
- (ii) Depreciation on fixed assets such as Building and Plant and Machinery is provided using the Straight-Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except for expenditure on lease hold properties where it is amortised over the period of lease or estimated useful life, whichever is lower. The management estimates useful lives of the other fixed assets as follows
 - Computers - 3 Years
 - Office Equipment - 5 Years
 - Vehicle - 5 Years
 - Furniture - 10 Years
 - Software - 2 Years
 - Technical Know How - 3 Years
 - Licenses - 3 Years

ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Accounts for the year ended 31st March 2013

(iii) Capital work-in-progress

All capital expenditure including advances paid for the construction of fixed assets are shown as capital work-in-progress until completion of the project or until the asset is ready to be put to use. These costs are capitalised to the relevant items of the fixed assets on completion or putting to use.

e Investments

Long term Investments are valued at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of Investments. Current Investments are stated at lower of cost and fair value.

f. Inventories

Inventories (representing components) are valued at lower of cost or net realizable value. Cost of inventories includes cost of purchase/ acquisition and all other costs like freight, taxes and duties (not recoverable from the taxing authorities) and other sums incurred to bring the goods to the present location and condition on the date of valuation. Cost has been determined on the FIFO (First-In-First-Out) method.

g Foreign Currency Transactions

Transactions in foreign currency have been accounted at the exchange rates, which are prevailing at the time of entering into the transaction. Unsettled transactions remaining at the year-end are translated at the rates prevailing on that date. Gain/ loss arising from variations in foreign currency rates on these transactions are recognised in the Profit and Loss Statement on settlement/translation.

Premium or discount arising at the inception of forward contract is amortised as expense or income over the life of the contract. Exchange differences on forward contracts and profit or loss arising on cancellation or renewal of forward contracts are recognised in the Profit and Loss Statement in the reporting period in which the exchange rates change.

The transaction relating to foreign branches considered integral to the operations of the company has been translated at prevailing rates of exchange on the day of the transaction. The payables/ receivables at the year-end are translated at the closing rates.

h. Employee Benefits

i) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits, which include benefits like salaries, short term compensated absences, performance incentives, etc. and are recognised as expense in the period in which the employee renders the related service.

ii) Defined-contribution plans

The Company has defined contribution plans (where Company pays pre-defined amounts and does not have any legal or informal obligation to pay additional sums) for post employment benefits (viz., Provident Fund and Superannuation Fund), and the Company's contributions thereto are charged to Profit and Loss Statement every year. The Company's contributions to State plans (viz., Employees State Insurance and Employee Pension Scheme) are also charged to Profit and Loss Statement as expense during the period in which the employees perform the service.

ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Accounts for the year ended 31st March 2013

iii) Defined-benefit plan

Gratuity

The company's Gratuity scheme is administered through the Employee's Group Gratuity Trust funded with Life Insurance Corporation of India. The present value of the obligation for gratuity benefits as determined on independent actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognized past services cost if any and as reduced by the fair value of plan assets, is recognized in the accounts. Actuarial gains and losses are recognized in full in the Profit and Loss Statement for the period in which they occur.

Compensated Absences (Earned Leave Encashment)

Compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders related services are recognized as a liability at the present value of the defined benefit obligation based on actuarial valuation (under projected unit credit method) carried out at the balance sheet date.

iv) Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions, and are recognized immediately in the Profit and Loss Statement as income or expense

i. Research and Development

Research and Development costs incurred for products are expensed as incurred except for development costs which relate to the design and testing of new products or processes which are recognized as an intangible asset to the extent that it is expected that such assets will generate future economic benefits. Research and development expenditure of a capital nature is added to fixed assets. Any expenditure carried forward is amortized over the period of expected future sales from the related project.

j. Leases

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest costs so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

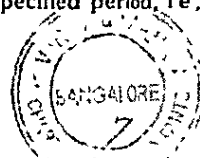
Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the Profit and Loss Statement on a systematic basis over the lease term.

k. Taxes on Income

Tax expense comprising current tax and deferred tax are recognized in the Profit and Loss Statement for the year. Current tax is the amount of income tax determined to be payable in respect of taxable income as computed under the tax laws after considering allowances and incentives.

Certain items of income and expenditure are not reported in tax returns and financial statements in the same year. The net tax effect calculated at the current enacted tax rates of this timing difference as also that relating to carried forward unabsorbed depreciation and business loss at the end of an accounting year is reported as deferred income tax asset/ liability. The effect of deferred tax asset and liabilities due to change from such assets/ liabilities as at the end of previous accounting year and due to change in tax rates are recognized in the income statement of the year.

Minimum Alternate Tax (MAT) paid in a year is charged to the profit and loss statement 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.



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Accounts for the year ended 31st March 2013

l Segment reporting

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services to different markets

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs

Unallocated items

The Corporate and other segment include general corporate income and expense items which are not allocated to any business segment

Segment 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

m. Provisions and Contingencies

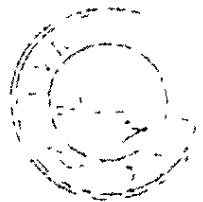
Provisions for the losses and contingencies arising as a result of a past event where the management considers it possible that a liability may be incurred are made on the basis of the best reliable estimates of the expenditure required to settle the present obligation on the balance sheet date and are not discounted to its present value. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provision for product related warranty cost is based on the claims received upto the year end as well as the management estimates of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend on such claims.

Contingent liabilities to the extent management is aware are disclosed by way of notes to the accounts

n. Impairment of Assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Profit and Loss Statement to the extent the carrying amount exceeds the recoverable amount



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Balance Sheet as at 31st March

Particulars	2013 ₹	2012 ₹
2 Share Capital		
2.1 Authorised Share Capital		
20,00,000 Equity Shares (20,00,000 Shares) of Rs 10/- each	<u>20,000,000</u>	<u>20,000,000</u>
Issued, Subscribed and Fully Paid Up:		
18,15,000 Equity Shares (18,15,000 Shares) of Rs 10 each	<u>18,150,000</u>	<u>18,150,000</u>

2.2 Reconciliation of shares at the beginning and at the end of the financial year

Particulars	Number	Rupees	Number	Rupees
Equity Shares outstanding :				
at the beginning of the period	1,815,000	18,150,000	1,815,000	18,150,000
at the end of the period	1,815,000	18,150,000	1,815,000	18,150,000
Change in Equity shares outstanding		NIL		NIL

2.3 Details of shareholders holding more than 5% shares*

	%	Number	%	Number
J M Sundaresan	21.3%	386,380	21.3%	386,380
S Purushotham	21.3%	386,380	21.3%	386,380
V Narayanasamy	21.3%	386,380	21.3%	386,380
R Devanathan	20.0%	363,860	20.0%	363,860
Raghavendra Shenoy M	16.1%	292,000	16.1%	292,000
	100%	1,815,000	100%	1,815,000

* As per records of the company, including its register of members

2.4 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.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.5 Notes on Share Capital

The Company has not issued any securities convertible into equity/ preference shares.

The company declares and pays dividends in Indian rupees

During any of the last five years from year ended 31st March, 2009:

- No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash
- No shares were allotted as fully paid up by way of bonus shares
- No shares were bought back

3 Reserves & Surplus

3.1 Reserves

General Reserve

Balance as at the beginning of the year	20,876,848	13,688,223
Add Transferred during the year from surplus in profit and loss statement	10,454,673	7,188,625
Balance as at the end of the year	<u>31,331,521</u>	<u>20,876,848</u>



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Balance Sheet as at 31st March

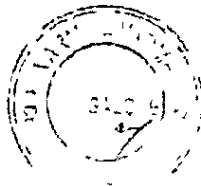
	2013	2012
	₹	₹
3.2 Surplus in Profit and Loss Statement		
Balance as at the beginning of the year	158,367,364	114,764,579
Profit for the year as per profit and loss statement	104,546,732	71,886,247
Less Appropriations		
Proposed dividend on the equity shares for the year [Per share Rs.5 (P Y.Rs.10)]	9,075,000	18,150,000
Dividend distribution tax on proposed dividend on equity shares	1,472,192	2,944,838
Transfer to General Reserve	<u>10,454,673</u>	<u>7,188,625</u>
Surplus - Closing Balance	<u>241,912,231</u>	<u>158,367,364</u>
Total Reserves and Surplus	<u>273,243,752</u>	<u>179,244,212</u>
3.3 Final dividend of Rs 5 per share (P Y Rs 10) proposed by Board is subject to approval of shareholders in the ensuing Annual General Meeting		
4 Long Term Borrowings		
4.1 Secured		
Vehicle Loans from Banks	2,105,345	1,543,777
Vehicle Loans from Other Parties	<u>86,008</u>	<u>366,679</u>
	<u>2,191,353</u>	<u>1,910,456</u>
4.2 Nature of security of long term borrowings and other terms of repayment		
(i) The vehicle loans from banks as well as from other parties have been secured by hypothecation of assets purchased under the loan agreement These loans are pending registration of charges		
(ii) Vehicle loans are repayable in monthly instalments over the agreed repayment period At the year end there are 10 loans outstanding having a repayment period ranging between 35 months to 48 months covering interest rate between 8.75% to 10.91%		
(iii) There has been no continuing default as on Balance Sheet date in repayment of loans and interest		
5 Deferred Tax Liabilities/(Asset) (Net)		
Assets		
Deferred tax Asset		
In respect of timing difference of expenses	(2,338,718)	(1,540,723)
Liability		
In respect of timing differences on depreciation	<u>12,816,067</u>	<u>20,748,348</u>
Net Deferred tax liability	<u>10,477,349</u>	<u>19,207,626</u>
6 Long Term Provisions		
Provision for employee benefits(Refer Note 33)		
- Gratuity	773,906	1,437,070
- Leave encashment	1,411,318	829,036
Others		
- Provision for warranties	<u>49,249</u>	<u>-</u>
	<u>2,234,473</u>	<u>2,266,106</u>



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Balance Sheet as at 31st March

	2013	2012
	₹	₹
7 Short Term Borrowings		
7.1 Secured		
Cash Credit/Working capital loan from State Bank of India	75,121,758	63,493,424
7.2 Unsecured		
Short term loans from banks	6,588,158	-
Total Short term borrowings	<u>81,709,916</u>	<u>63,493,424</u>
7.3 Notes on Short Term Borrowings		
(i) Cash credit from Banks represent the working capital funds (including a sublimit of Rs 8 Crore of Export Packing Credit) which are secured by a primary charge by way of hypothecation of entire stock of raw materials, stock in process, stores, spares, receivables and other current assets and first charge on the unencumbered fixed assets present and future of the company and further by equitable mortgage of Company's freehold Plot at No 110-K1, at Keonics, Electronic city, Bangalore. Further to this company has given cash collateral of Rs 1 81 crores		
(ii) Cash credit/working capital loans are further secured by equitable mortgage of one of the Director's property at Plot No 13 & Part 14 at Nehruji Street, Durga Nagar, Tambaram Sanatorium, Chennai		
(iii) The above secured loans are also personally guaranteed by all the Directors and their Relatives		
(iv) There has been no continuing default as on Balance Sheet date in repayment of loans and interest		
8 Trade Payables		
- Due to Micro & Small Enterprises [Refer Note 30]	-	-
- Due to others ¹	19,332,804	17,079,044
	<u>19,332,804</u>	<u>17,079,044</u>
1) Includes due to subsidiary	2,021,469	-
9 Other Current Liabilities		
Current maturities of long term debt		
- Current maturities of term loans from banks*	999,825	4,299,825
- Current maturities of vehicle loans from banks	2,174,837	1,273,935
- Current maturities of vehicle loans from other parties	280,671	724,132
Interest accrued but not due on borrowings	10,681	-
Advances from customers and others	9,503,395	25,082,204
Amount due on capital goods purchased	1,661,892	2,212,215
Employee Dues ⁽¹⁾	56,290,276	53,435,665
Statutory Dues	17,544,766	19,450,362
Deferred Discount on Forward Contract	266,857	-
Total	<u>88,733,200</u>	<u>106,478,338</u>
* Due in March 2013, paid subsequently in April 2013		
Note: Includes		
(1) Other dues to Key Management personnel (KMP)	20,000,000	12,776,198
10 Short Term Provisions		
Provision for employee benefits (Refer Note 33)		
- Gratuity	1,996,672	1,879,908
- Leave encashment	457,418	22,385
Proposed Dividend	9,075,000	18,150,000
Provision for Corporate Dividend Tax	1,472,192	2,944,838
Provision for Taxation (Net of Advance Tax and TDS)	3,152,338	27,203,290
Provision for wealth tax	27,284	5,134
Provision for Warranty	2,409,387	-
Total Short Term Provision	<u>18,590,291</u>	<u>50,205,554</u>



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Balance Sheet as at 31st March 2013

11 FIXED ASSETS

Description	Gross Block At Cost		Depreciation		Net Block	
	As at 31 Mar 2012	Additions / Adjustments	Disposals / Adjustments	As at 31 Mar 2013	As at 31 Mar 2012	As at 31 Mar 2013
Tangible assets:						
Freehold Land	7,850,757 (7,850,757)	-	-	7,850,757 (7,850,757)	-	7,850,757 (7,850,757)
Buildings	9,892,897 (9,892,897)	-	-	9,892,897 (9,892,897)	236,004 (69,803)	9,490,692 (9,656,893)
Leasehold improvements	20,305,382 (18,776,899)	136,048 (1,528,483)	-	20,441,430 (20,305,382)	20,057,407 (18,373,506)	35,641 (247,975)
Plant and Equipment	38,744,840 (34,216,038)	11,301,122 (4,860,002)	552,600 (331,200)	49,493,362 (38,744,840)	11,290,184 (9,616,466)	36,430,836 (27,454,656)
Computers and accessories	23,905,513 (21,031,063)	3,614,430 (2,874,450)	-	27,519,943 (23,905,513)	16,962,835 (16,639,032)	6,435,108 (6,942,678)
Furniture and Fixtures	9,200,165 (8,186,119)	266,938 (1,014,046)	-	9,467,103 (9,200,165)	6,035,646 (5,210,152)	1,580,395 (3,164,519)
Vehicles	11,446,509 (13,411,473)	4,101,055 (1,026,958)	2,566,856 (2,991,922)	12,980,708 (11,446,509)	3,906,478 (989,627)	8,078,415 (8,719,375)
Office equipment	5,270,498 (4,343,425)	610,679 (927,073)	-	5,881,177 (5,270,498)	1,994,765 (1,732,180)	1,187,054 (3,275,733)
Tools	-	4,084,678	-	4,084,678	-	2,836,582
Total Tangible Assets (A)	126,616,561 (117,708,671)	24,114,950 (12,231,012)	3,119,456 (3,324,122)	147,612,055 (126,616,561)	59,303,975 (54,734,092)	73,925,480 (67,312,586)

ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED
Notes forming part of Balance Sheet as at 31st March 2013

11. FIXED ASSETS

Description	Gross Block At Cost			Depreciation			Net Block WDV As at 31 Mar 2013
	As at 31 Mar 2012	Additions / Adjustments	Disposals / Adjustments	As at 31 Mar 2012	For the year	Disposals / Adjustments	
Intangible assets:							
Licence	5,865,267	1,378,250 (5,865,267)	-	1,646,160	2,298,707 (1,646,160)	-	3,944,867 (1,646,160)
Technical Knowhow	33,411,260	1,007,354 (33,411,260)	-	928,091	11,165,069 (928,091)	-	12,093,160 (928,091)
Computer Software	21,068,858	4,177,158 (17,808,750)	-	18,786,841	2,421,098 (18,786,841)	-	21,207,939 (18,786,841)
Total Intangible Assets (B)	60,345,385 (17,808,750)	6,562,762 (42,536,635)	-	21,361,092 (15,988,231)	15,884,875 (5,372,861)	-	37,245,967 (21,361,092)
Intangible assets under development:							
Patents	506,335	153,190 (506,335)	-	-	-	-	659,525 (506,335)
Total Fixed Assets	187,468,281	30,830,902	3,119,456	80,665,067	32,398,837	2,341,805	110,932,541
Previous year	(135,517,421)	(55,273,982)	(3,323,122)	(70,722,323)	(11,332,497)	(1,389,753)	(80,665,067)
<i>Amounts in brackets represents previous year's figures</i>							

Note:-

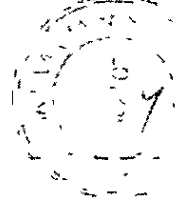
a) Vehicles include motor cars purchased on Hire Purchase/loan basis

Assets

	2013		2012	
	Cost	WDV	Cost	WDV
Motor Car	518,474	129,547	518,474	382,989

b) The company has revised the estimated useful life of Computers, Office Equipment, Vehicles and Furniture and Fixtures, as a result of which depreciation for the year is higher by a sum of Rs 72,67,501/-

c) Adjustment column includes excess depreciation claimed erroneously in the earlier years amounting to Rs 210,442/- reversed during the year



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Balance Sheet as at 31st March

	2013	2012
	₹	₹
12 Non Current Investments		
12.1 Trade Investments (At Cost)		
Investment in Equity instruments		
Subsidiary Companies		
Equity Instruments - Fully Paid - Unquoted		
1500 Shares of US\$ 5 Each Fully paid up in Accord Software & Systems Inc, USA - 100% Holding (100% Previous Year)	326,034	326,034
100 Shares of SGD \$ 1 Each Fully paid up in Navika Electronics PTE Ltd -Singapore- 100% Holding	4,384	-
Total Trade Investments	330,418	326,034
Less:- Provision for Diminution in the value of investments	326,034	326,034
	<u>4,384</u>	<u>-</u>
13 Long Term Loans & Advances		
13.1 Capital Advances		
Unsecured, considered good	-	546,511
13.2 Security Deposits		
Unsecured, considered good		
Rental deposits	4,872,434	2,737,454
Electricity/Telephone and Gas deposit	694,847	699,537
Sales tax deposit	3,000	3,000
Advances to Employee trust	2,000	2,000
13.3 Loans and advances to related parties		
Loan to Wholly owned subsidiaries, Unsecured, considered good [Refer note 13.6]	75,175,562	52,242,348
13.4 Taxes paid in advance		
Advance Income Tax and TDS (Net of Provisions)	646,637	1,383,667
13.5 Prepaid expenses	<u>570,656</u>	<u>469,781</u>
	<u>81,965,136</u>	<u>58,084,298</u>
13.6 The Company has granted loans to Accord Software & Systems Inc, USA, a wholly owned subsidiary over last several years to meet its business requirements including for further advancing to its step down subsidiary in the USA (85% owned). Over the years Company has also received repayments from the subsidiary and as at the year-end USD 1,449,537/- (Rs 7,49,60,053/-) is outstanding (PY outstanding was USD 1,030,218/- Rs 5,22,42,347/-) including interest. Based on the subsidiary's proposed activities over the next three years and related cash inflows as approved by the Board of Directors, the management is confident of recovery of the entire loan outstanding and accordingly, no provision for doubtful recovery of the loan is made in these accounts.		
13.7 During the year the company has granted loans of SGD 4,670/- (Rs 2,15,508/- including interest of Rs 9,173/-)(PY - Nil) to Navika Electronics Pte Ltd, Singapore, a wholly owned subsidiary to meet its business requirements		
14 Other Non Current Assets		
Interest Accrued but not due on deposits	139,433	1,460,931
Trade receivables	130,000	-
	<u>269,433</u>	<u>1,460,931</u>



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Balance Sheet as at 31st March

	2013	2012
	₹	₹
15 Inventories		
15.1 Valued at Lower of Cost or Realisable value		
Raw Materials	8,112,160	20,307,061
Work in Progress	28,682,499	10,819,821
Finished Goods	4,829,696	-
Goods in Transit	386,340	-
Total	42,010,695	31,126,882
16 Trade Receivables		
16.1 Outstanding for a period of more than six months from the due date of payment		
Unsecured, considered good	19,453,268	35,243,116
Unsecured, considered doubtful	-	-
Less- Provision for Doubtful receivables	-	-
	19,323,268	35,243,116
16.2 Other Trade Receivables		
Unsecured, considered good	171,811,872	148,690,871
Total	191,135,140	183,933,987
Note		
(1) Includes due from step down subsidiary	701,012	959,194
17 Cash and Bank Balances		
17.1 Cash and Cash equivalents		
Balances with Bank (Current Accounts)	17,554,047	2,810,878
Cash on hand	47,577	36,119
17.2 Other Bank balances*		
Margin money against Guarantee / Letters of credit	25,102,344	34,580,500
Bank deposits with more than 12 months maturity	3,003,720	42,636
Bank deposits towards collateral & margins against letter of comfort	20,645,996	16,000,234
Other bank deposits	46,366	-
Total	66,400,050	53,470,367
<i>*(All the above are under lien with banks)</i>		
18 Short Term Loans and Advances		
Unsecured considered good		
18.1 Loans and Advances to others		
Security deposit	1,251,870	2,758,800
Prepaid expenses	5,917,878	4,256,672
For supply of goods and rendering of service	2,276,509	4,091,309
Balances with government and statutory authorities	13,282,432	9,206,519
Advances with employees ⁽¹⁾	1,480,022	932,330
Others ⁽²⁾	260,903	252,874
Total of Loans and Advances to Others	24,469,614	21,498,503
Note		
(1) Includes due from		
- Key Managerial Personal (KMP), being travel advances	151,638	20,035
(2) Includes due from		
- Step down subsidiary, being expenses incurred on their behalf	94,008	94,008

ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Balance Sheet as at 31st March

	2013	2012
	₹	₹
19 Other Current Assets		
Interest Accrued but not due on deposits	3,551,769	1,656,576
Receivable on Forward Contract (net)	<u>614,000</u>	<u>-</u>
Total	<u><u>4,165,769</u></u>	<u><u>1,656,576</u></u>



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Profit and Loss Statement for the year ended 31st March

	2013	2012
	₹	₹
20 Revenue from Operations		
Sale of products		
- Global Positioning System (GPS) including Contract Income	105,825,602	138,558,174
- Others	117,347,693	10,924,328
	223,173,295	149,482,502
Software Development Services & Engineering Services	452,226,305	295,951,533
Accrued Income on contracts	-	67,825,000
Total	675,399,600	513,259,035
21 Other Income		
Interest on Fixed Deposit (TDS Rs.4,56,685/- PY Rs 3,41,695/-)	4,566,847	3,040,687
Interest on loan given to Subsidiary	8,373,858	4,516,612
Foreign Exchange Gain (net)	6,798,341	16,116,992
Other non-operating income (net)	1,872,612	961,391
Discount on forward Contract	167,143	-
Total	21,778,801	24,635,683
22 Cost of materials consumed		
Opening Stock	20,307,061	13,042,140
Add Purchases	78,246,870	54,139,373
Freight, Customs and Clearing Charges	8,311,393	9,547,460
Less Closing Stock	8,112,160	20,307,061
Total	98,753,164	56,421,912
23 Changes in inventories of work-in-progress and finished goods		
Work - in - progress - Opening	10,819,821	7,001,798
Finished Goods - Opening	-	-
Work - in - progress - Closing	28,682,499	10,819,821
Finished Goods - Closing	4,829,696	-
Total	(22,692,374)	(3,818,023)
24 Employee Benefits Expenses		
Salaries, Wages and Bonus	310,802,802	245,445,777
Contribution to Provident and other funds	17,564,107	16,003,751
Staff welfare expenses	9,888,947	8,433,418
Recruitment & Training expenses	366,746	467,518
Total	338,622,602	270,350,464
25 Finance Costs		
Interest		
-Working capital	8,164,995	7,986,331
-Term loans and others	1,226,482	1,132,419
-Vehicle Loan	446,040	413,099
Interest expense on delayed taxes	1,151,548	1,917,903
Interest - others	111,649	341,043
Loan Processing/Facilitation Fees	1,068,367	792,000
Total	12,169,081	12,582,794



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Profit and Loss Statement for the year ended 31st March

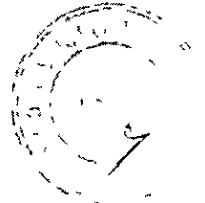
	2013	2012
	₹	₹
26 Other Expenses		
Job work and Testing charges	12,113,276	7,502,158
Power and fuel	3,981,071	3,546,105
Rent	16,201,488	13,171,260
Repairs & Maintenance		
- Buildings	181,148	24,378
- Machinery	2,244,380	1,158,473
- Others	2,415,639	2,093,736
Bank charges	4,614,230	3,244,286
Insurance	962,613	693,957
Rates And Taxes	1,084,256	567,521
Travelling And Conveyance	17,863,064	17,320,733
Professional Charges	17,222,427	22,124,200
Auditors' Remuneration - See Note 26 1 Below	652,356	565,500
Communication Expenses	2,810,403	2,258,983
Advertisement And Sales Promotion	3,322,400	2,436,184
Sales Commission	8,602,631	-
Discount And Incentive	-	259,280
Liquidated Damages	8,298,051	-
Directors' Sitting Fees	-	80,000
Security Service Charges	1,162,688	1,008,512
Loss on Sale / Discarding of Fixed Assets (net)	262,975	1,226,878
Prior period expenses	-	250,000
Office Expenses	1,698,105	1,616,991
Donation	963,530	-
Miscellaneous Expenses	2,237,357	1,183,750
Provision for warranty claim	2,458,636	-
TOTAL OF OTHER EXPENSES	111,352,723	82,332,884

26 1 Auditors' Remuneration

for audit	460,000	460,000
for taxation matters ⁽¹⁾	135,000	85,000
for other services	55,510	20,500
out of pocket expenses	1,846	-
	652,356	565,500

(1) Includes pertaining to earlier year Rs 7,500(P.Y Rs Nil)

(2) Above amounts are exclusive of service tax



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Accounts for the year ended 31st March

27 Contingent Liabilities and Commitments :	2013	2012
27.1 Contingent Liabilities	₹	₹
a Claims toward liquidated damages	-	4,230,000
b Bond executed in favour of the Customs Authorities which is covered by bank guarantee to the extent of Rs 3,61,250 (PY- Rs 3,61,250)	7,225,000	7,225,000
c Guarantee issued to bankers for providing letter of comfort to foreign step down subsidiary for obtaining working capital facility	23,749,687	20,000,000
d Contingent liabilities against performance guarantees issued by the bank	27,096,288	11,354,205
e Other sums for which the company is contingently liable for	1,050,000	1,050,000
Sub Total	59,120,975	43,859,205
27.2 Commitments		
a Capital contracts to be executed	-	-
b Lease Commitments		
i Finance Lease		
The company has purchased vehicles on hire purchase (finance lease) Present value of future minimum lease payments under these agreements as at 31st March is as follows.		
- Not later than one year	-	28,088
- One to five years	-	-
- Above five years	-	-
	-	28,088
Amount representing future interest	-	394
Amount towards principal	-	27,694
ii Operating Lease		
Company has entered in to operating leases in respect of office/factory buildings some of which are effectively non cancellable The present value of future lease payments under these leases as at 31 03 2013 is as under		
- Not later than one year	479,514	-
- One to five years	40,112	-
	519,626	-
Sub Total	519,626	28,088
27.3 Total Contingent Liabilities and Commitments	59,640,601	43,887,293

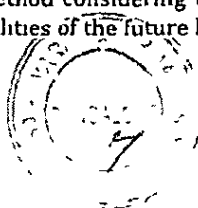
28 In the opinion of the Board, none of the assets have a value lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet

29 Most of the trade receivables, loans and advances and trade payables are subject to confirmation

30 There are no creditors that are micro, small or medium enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 who have notified the company Accordingly, no disclosures are made in this regard

31 Most of the product sales have been made to Government Departments and hence there is no element of Excise duty on the sales made Consequently, no Excise Duty has been collected on the sales of these products made during the year to such departments

32 Provision for current tax is made on tax payable method considering the application of Minimum Alternate Tax. The credit available for such tax against tax liabilities of the future have not been recognized in the books as a prudent measure



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Accounts for the year ended 31st March

33 Employee Benefits

a) Defined Contribution Plan

During the year the following amounts have been recognised in the Profit and Loss statement on account of defined contribution plans

Particulars	2013	2012
	₹	₹
Contribution to Superannuation	2,376,753	1,686,600
Employers contribution to Employee's State Insurance	66,286	181,138
Employer's contribution to Provident Fund	7,587,555	6,715,554
Employer's contribution to social security (UK)	519,244	462,008
Employer's contribution to social security (Germany)	4,891,875	4,046,736
Total	15,441,713	13,092,036

b) Defined Benefit Plans

The Company provides for gratuity, (funded with LIC of India) a defined benefit plan (the gratuity plan) to its employees. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's last drawn salary and years of employment with the Company.

The Company has a leave accumulation policy which can be availed/ encashed in the future.

The principal actuarial assumptions used in the valuation of the above liabilities are as follows:

Actuarial Assumptions	2013	2012	2013	2012
	Gratuity	Gratuity	Leave	Leave
Discount factor	8.25%	8.50%	8.25%	8.50%
Salary Escalation	4.00%	4.00%	4.00%	4.00%
Estimated rate of return on plan assets	9.25%	9.25%	NA	NA
Retirement Age	60 Years	60 Years	60 Years	60 Years
Mortality Rate	LIC (94-96) Ultimate	LIC (94-96) Ultimate	LIC (94-96) Ultimate	LIC (94-96) Ultimate

The estimates of future increase in compensation levels, which is with reference to basic and dearness allowance considered in the actuarial valuation, have taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Reconciliation of present value of obligation	Funded Obligation		Unfunded Obligation	
	2013	2012	2013	2012
Present value of obligation at beginning of the year	9,254,934	11,435,417	851,421	491,753
Current Service Cost	2,034,675	265,439	1,207,435	507,643
Interest Cost	702,797	972,010	38,263	41,799
Actuarial (gain)/loss	385,036	(1,910,296)	546,871	126,902
Benefits Settled	1,472,371	1,507,636	775,254	316,676
Present value of obligation at end of the year	10,905,071	9,254,934	1,868,736	851,421



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Accounts for the year ended 31st March

Reconciliation of fair value of plan assets	₹	
	2013	2012
Fair value of plan assets beginning of the year	5,937,956	6,779,126
Difference in opening balance, considered in the current year	1,504,495	-
Expected return on plan assets	593,206	554,651
Actuarial gain/(loss)	153,596	(888,185)
Contributions	1,417,611	1,000,000
Benefits settled	(1,472,371)	(1,507,636)
Fair value of plan assets at end of the year	8,134,493	5,937,956

Net (Asset)/Liability recognised in the Balance Sheet as at year end	Funded Obligation		Unfunded Obligation	
	2013	2012	2013	2012
Present value of obligation at end of the year	10,905,071	9,254,934	1,868,736	851,421
Fair value of plan assets at end of the year	8,134,493	5,937,956	-	-
Net present value of funded obligation recognised as (asset)/liability in the Balance Sheet	2,770,578	3,316,978	1,868,736	851,421

(Income)/ Expense recognised in the Profit and Loss Statement	Funded Obligation		Unfunded Obligation	
	2013	2012	2013	2012
Current Service Cost	2,034,675	265,439	1,207,435	507,643
Interest Cost	702,797	972,010	38,263	41,799
Expected return on plan assets	(593,206)	(554,651)	-	-
Actuarial (gain) /loss	231,440	(1,022,111)	546,871	126,902
Total (income)/ expense recognised in the Statement of Profit and Loss for the year	2,375,706	(339,313)	1,792,569	676,344

The above disclosures are based on information certified by the independent actuary and also LIC in the case of funded obligation and relied upon by the auditors

34 Foreign Exchange exposure hedged by derivative instruments or otherwise.

Particular	2013	2012
Forward contract to Hedge Trade receivables	\$ 400,000	-

Foreign Exchange exposure not hedged by derivative instruments or otherwise

Currency	2013		2012	
	Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Receivables				
USD	3,122,741	168,565,545	1,749,210	88,702,439
EUR	388,215	26,666,497	242,362	16,344,893
GBP	133,987	10,921,299	63,485	5,127,049
Payables				
USD	1,556,624	85,303,007	17,250	888,882
EUR	69,685	4,897,455	69,158	4,775,360
GBP	31,149	2,590,318	7,701	635,966



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Accounts for the year ended 31st March

35 Segment Reporting

₹

Primary Segment (Business)

The primary reporting of the Company has been performed on the basis of business segment. The operations of the company is organised into two business segments, Software & Engineering Services and Global Navigation Satellite Systems (GNSS).

	Software & Engineering Services	GNSS	Total
Sales	437,322,378	236,073,101	673,395,479
Other Income	(294,662,111)	(218,347,010)	(513,009,121)
Segment result	6,798,341	8,373,858	15,172,199
Unallocated corporate expenses	(16,116,992)	(4,516,612)	(20,633,604)
Operating profit	171,082,589	15,455,774	186,538,363
Finance Costs	(73,273,449)	(84,570,742)	(157,844,191)
Other Income	-	-	24,006,800
Depreciation	-	-	(29,487,906)
Profit before Tax	-	-	162,531,563
Tax Expense	-	-	(128,356,284)
Profit for the Period	-	-	12,169,081
Other Information	-	-	(12,582,794)
Segment assets	-	-	6,606,602
Unallocated corporate assets	-	-	(4,002,078)
Total assets	-	-	32,398,837
Segment liabilities	-	-	(11,332,497)
Unallocated corporate liabilities	-	-	124,570,247
Total liabilities	-	-	(108,443,071)
Capital expenditure	-	-	20,023,516
	-	-	(36,556,824)
	-	-	104,546,731
	-	-	(71,886,247)
Segment assets	145,161,050	156,914,384	302,075,433
Unallocated corporate assets	(63,460,595)	(218,039,223)	(281,499,818)
Total assets	-	-	212,591,974
Segment liabilities	-	-	(176,534,941)
Unallocated corporate liabilities	-	-	514,667,407
Total liabilities	-	-	(458,034,759)
Capital expenditure	18,174,707	36,801,882	54,976,589
	(17,930,959)	(30,238,044)	(48,169,003)
	-	-	459,690,818
	-	-	(409,865,756)
	-	-	514,667,407
	-	-	(458,034,759)
	240,000	16,720,895	16,960,895
	(564,274)	(4,375,953)	(4,940,227)

Secondary Segment (Geographical)

Secondary segment disclosures are based on location of customers in respect of revenue, as all the segment assets are located in India, further disclosure of segment assets on geographical basis is not given

Revenue by Geographical Area

	2013	2012
India	139,141,292	126,542,336
European Union	433,474,881	383,467,265
North America	89,840,826	2,999,520
Asia Pacific	10,938,480	-

* Figures in the parenthesis represent previous year



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Accounts for the year ended 31st March

	2013 ₹	2012 ₹
36 Expenditure on Research & Development		
Acquisition of capital goods	14,351,681	2,003,839
Material consumed (including consumption of stores)	8,160,261	29,655,126
Personnel Costs	43,616,379	41,020,905
Operating and other expenses	2,994,126	3,181,113
Total (A)	69,122,446	75,860,983
Transferred to Fixed Assets		
Plant & Machinery	10,267,003	424,627
Lab & QC Equipment	-	1,579,212
Tools	4,084,678	-
Patents under grant	-	506,335
Technical Knowhow	1,007,354	33,411,260
Total (B)	15,359,035	35,921,434
Debited to Profit & Loss Statement (A - B)	53,763,411	39,939,549

37 Related Party Disclosures

a) Related Parties:

#	Related Party	Relationship
1	Accord Software & Systems Inc, USA	Subsidiary Company
2	Accord Technology LLC, USA	Subsidiary of Subsidiary
3	Navika Electronics Pte Ltd, Singapore	Subsidiary Company
4	J M Sundaresan	Key Management Personnel
5	S Purushotham	Key Management Personnel
6	V Narayanasamy	Key Management Personnel
7	R Devanathan	Key Management Personnel
8	Raghavendra Shenoy M	Key Management Personnel
9	Accord Software & Systems Employees Superannuation Fund	Entities where KMP have significant influence
10	Infoscript Services (P) Ltd	Entities where KMP have significant influence

b) Transactions with related parties

Particulars	Key Management Personnel	Subsidiaries	Subsidiary of Subsidiary Company	Parties where KMP has significant influence
Salary, bonus & allowances *				
i) J M Sundaresan	7,633,640 (6,130,500)	-	-	-
ii) S Purushotham	7,633,600 (6,130,500)	-	-	-
iii) V Narayanasamy	7,499,480 (6,016,020)	-	-	-
iv) R Devanathan	7,492,240 (6,016,020)	-	-	-
v) Raghavendra Shenoy M	7,489,840 (6,016,020)	-	-	-

ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Accounts for the year ended 31st March

₹

Particulars	Key Management Personnel	Subsidiaries	Subsidiary of Subsidiary Company	Parties where KMP has significant influence
Sales	-	-	(259,460)	-
Purchases	-	-	(215,565)	-
Expenses incurred on party's behalf	-	6,581,162	81,678 (93,176)	-
Expenses incurred by party on behalf of Accord	-	-	1,172,676	-
Loans/ Advances given:				
- Accord Software & Systems Inc	-	14,353,023 (31,843,651)	-	- (1,650,000)
- Navika Electronics PTE Ltd	-	206,335	-	-
- R Devanathan	2,000,000	-	-	-
Loans/ Advances received & squared off	12,000,000 (7,500,000)	-	-	-
Interest paid on the Loans/Advances Received	285,304 (245,089)	-	-	-
Interest on the Loans/Advances given:				
- Accord Software & Systems Inc	-	8,364,682 (4,510,514)	-	- (6,098)
- Navika Electronics PTE Ltd	-	9,173	-	-
Rent paid	-	-	-	369,000 (960,000)
Sales Commission Paid	-	8,602,631	-	-
Guarantee furnished to the bank for the working capital finance	-	-	23,749,687 (20,000,000)	-
Closing Balance Cr / (Dr) (Net)				
- Accord Software Inc USA	-	72,938,584 (52,242,346)	-	-
- Navika Electronic PTE	-	215,509	-	-
- Accord Technology LLC	-	-	565,776 (837,638)	-
i) J M Sundaresan	4,000,000 (2,552,800)	-	-	-
ii) S Purushotham	4,000,000 (2,552,800)	-	-	-
iii) V Narayanasamy	4,000,000 (2,564,998)	-	-	-
iv) R Devanathan	4,000,000 (2,552,800)	-	-	-
v) Raghavendra Shenoy M	4,000,000 (2,552,800)	-	-	-

* Provision for employee benefits, which are based on actuarial valuation carried out on an overall company basis, is excluded

** Figures in the parenthesis represent previous year

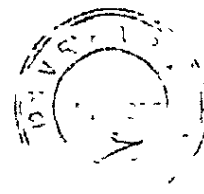


ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Accounts for the year ended 31st March

Particulars	2013 ₹	2012 ₹
38 Set out below is the movement in balances of Provisions made in accordance with paragraph 66 and 67 of AS 29 Provisions, Contingent Liabilities and Contingent Assets issued by the Companies (Accounting Standards) Rules, 2006 .		
Provision for Warranty		
The liability for warranty claims is accounted on an estimated basis, as a percentage of sales determined by the management based on historical data and future estimated costs. The Company however cannot estimate with reasonable certainty the period of utilization of the above mentioned warranty provision		
Particulars		
Opening Balance	-	-
Add Charge for the year	2,458,636	-
Less: Utilizations	-	-
Less: Reversals	-	-
Closing Balance	2,458,636	-
39 CIF Value of Imports		
I Components and spare parts,	51,321,597	79,536,254
II Capital goods,	13,247,097	2,405,792
40 Expenditure in foreign currency		
Travel expenses	3,799,558	9,653,919
Advertisement & Marketing	370,938	449,605
Legal Charges	401,009	485,823
Professional & Consultancy Charges	15,325,168	11,258,417
Salary & Staff welfare	53,981,933	32,409,642
Bank charges	225,621	127,020
Rent	834,778	841,686
Rates and Taxes	179,594	466,359
Others	38,868	23,956
Total	75,157,467	55,716,428
41 Particulars of Production/ Sales:		
Global Positioning System		
Quantity produced and sold	403	259
Sales Value	51,190,324	138,558,174
Sales as per Contracted Milestone	52,631,158	-
GPS Accessories		
Quantity produced and sold	2,500	-
Sales Value	27,000,000	-
Others		
Quantity produced and sold	385	1 Set
Sales Value	16,414,303	993,409
Sales as per Milestone	73,718,390	-
Others	215,000	-

The Company is predominantly in the business of software development and its software is embedded along with certain components to assemble customized GPS and other related products



ACCORD SOFTWARE & SYSTEMS PRIVATE LIMITED

Notes forming part of Accounts for the year ended 31st March

Particulars	2013 ₹	2012 ₹
42 Raw Materials Consumed		
Imported	58,952,585	46,033,020
Imported % to total	59.70%	81.59%
Indigenous	39,800,579	10,388,892
Indigenous % to total	40.30%	18.41%
Total	98,753,164	56,421,912
Total %	100.00%	100.00%

The Components are used in the assembly of customized GPS and other related products. Considering the innumerable quantity of small components, there are no components/materials which fall under broad heads with value less than 10% of total consumption and hence it is not practicable to give the quantitative information relating to components consumed.

43 Earnings in Foreign Currency

I. Export of goods calculated on F O B basis	81,946,201	27,563,711
II. Export of services	452,226,305	295,951,533
III. Interest on loan	8,373,858	4,516,612

44 The figures for the previous year have been regrouped wherever necessary to conform to current year's classification.

Signature to Notes 1 to 44

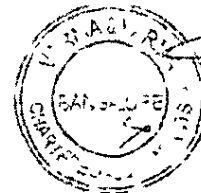
As per our separate report of even date attached

For VARMA & VARMA
Chartered Accountants
FRN 004532S

J. M. Sundaresan
J M Sundaresan
Managing Director

V Narayanasamy
V Narayanasamy
Director

V Ravi
V Ravi
Chief Financial Officer
& Company Secretary



Cherian K Baby
Cherian K Baby
Partner
M No 16043

Place - Bangalore
Date - 15/6/2013

Place Bangalore
Date - 15/6/13