

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NET ACCESS INDIA LIMITED

Report on the Financial Statements

We have audited the attached Balance Sheet of M/s. Net Access India Limited ("The Company") as at 31st March 2016 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, 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 (ii) of Section 143 of the Act, we give in Annexure 1, a Statement on the matters specified in paragraph 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid 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 the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) The company has in place adequate internal financial control systems over financial reporting, and the controls were operatively effectively. Refer separate report in Annexure 2.
 - (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 25 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.

Place: Chennai
Date: 11.04.2016



For Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S


(Vivek Sarabeswaran)
Partner
(M.No. 206383)

Annexure – 1

Annexure to the Independent Auditors' report referred to in Report on other legal and regulatory requirements for the year ended 31st March, 2016 on Companies (Auditor's Report) Order, 2016


- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable properties.
- (ii) The inventory of stock-in-trade has been physically verified during the year at reasonable intervals and, the frequency of verification is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (iii) The company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not entered into any transactions covered by the provisions of Sections 185 & 186 of the Companies Act, 2013.
- (v) During the year the company has not accepted deposits from public.
- (vi) Maintenance of cost records specified by the Central Government under sub-section (1) of Section 148 of the Companies Act is not applicable to the company.
- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and there are no outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) There are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess that have not been deposited on account of any dispute.
- (viii) The company has not defaulted in repayment of dues to financial institutions or banks.



- (ix) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and there were no term loans raised during the year.
- (x) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.
- (xi) The provisions of Managerial remuneration under Section 197 read with Schedule V to The Companies Act, 2013 are not applicable to this company.
- (xii) The company is not a Nidhi Company, and so this clause is not applicable.
- (xiii) The provisions of Section 177 and 188 of Companies Act, 2013 are not applicable to this company.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to information and explanations provided to us the company has not entered into any non-cash transactions with Directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Chennai
Date: 11th April, 2016

For Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S


(Vivek Sarabeswaran)
Partner
M. No.206383



Annexure -2

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE
FINANCIAL STATEMENTS OF NET ACCESS INDIA LIMITED**

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

We have audited the internal financial controls over financial reporting of Net Access India Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 Company's 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.

Place: Chennai
Date: 11.04.2016



For Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S


(Vivek Sarabeswaran)
Partner
(M.No. 206383)

Net Access India Limited


Balance Sheet as at 31st March, 2016

Amounts in Rs.

	NOTE NO.	As at 31-03-2016	As at 31-03-2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	16,000,000	16,000,000
Reserves & surplus	4	64,903,364	48,233,330
		80,903,364	64,233,330
Non-current liabilities			
Long term borrowings	5	-	423,698
Long term provisions	6	106,286	52,540
Deferred tax liabilities (Net)	7	459,235	2,178,710
		565,521	2,654,948
Current liabilities			
Trade payables	8	45,548,922	32,560,979
Other current liabilities	9	10,063,337	10,758,170
Short- term provisions	10	2,009,119	7,675,063
		57,621,378	50,994,212
Total		139,090,263	117,882,490
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	13,395,906	17,854,605
Intangible assets	11	5,151,164	4,945,549
Capital work in progress		1,586,459	-
Non-current investments	12	530	530
Long-term loans and advances	13	35,442,990	29,947,722
		55,577,049	52,748,406
Current assets			
Current investments	14	14,918,627	13,793,025
Inventories	15	1,497,884	1,531,862
Trade receivables	16	42,157,784	32,061,190
Cash and cash equivalents	17	11,428,762	5,021,624
Short- term loans and advances	18	13,510,156	12,726,383
		83,513,214	65,134,084
Total		139,090,263	117,882,490

Refer accompanying notes forming part of the financial statements

In terms of our report attached
For Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S


Vivek Sarabeswaran
Partner
Membership No.206383


M R G Appa Rao
Director


Sridharan Rangarajan
Director

Place: Chennai
Date : 11.04.2016

Chartered
Accountants


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

Amounts in Rs.

Particulars	Note No.	2015-16	2014-15
Revenue from operations (net)	19	295,772,110	251,762,226
Other income	20	1,058,931	714,857
Revenue from operations		296,831,041	252,477,083
Expenses			
Purchase of stock-in-trade		27,714,635	19,323,390
Changes in inventories of stock-in-trade	21	33,975	(394,953)
Employee benefit expenses	22	93,650,505	83,495,354
Other expenses	23	140,632,850	115,666,258
Total		262,031,964	218,090,049
Earnings before interest, tax, depreciation and amortisation (EBITDA)		34,799,077	34,387,034
Finance cost	24	246,252	672,386
Depreciation and amortization expense	11	9,446,782	10,459,426
Profit before tax		25,106,043	23,255,222
Tax expense : Current tax		10,155,483	8,089,883
: Deferred tax		(1,719,474)	(739,522)
Profit after tax		16,670,034	15,904,861
Earnings per equity share: Basic & diluted	33	10.42	9.94

Refer accompanying notes forming part of the financial statements

In terms of our report attached
For Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S


Vivek Sarabeswaran
Partner
Membership No.206383

Chartered
Accountant


M R G Appa Rao
Director


Sridharan Rangarajan
Director

Place: Chennai
Date : 11.04.2016

Net Access India Limited

Cash flow statement for the year ended 31st March, 2016

Amounts in Rs.

Particulars	2015-16		2014-15	
A. Cash flow from operating activities				
Net Profit before tax		25,106,043		23,255,222
Depreciation	9,446,782		10,459,426	
Interest and finance charges	246,252		672,386	
Provision for doubtful debts	955,838		462,236	
Loss on sale of fixed assets				
Interest received	(240,329)		(82,987)	
Dividend received	(544,345)		(479,397)	
Other income	-		-	
Tax net of provision	-		-	
Provision no longer required	(151,377)		(152,473)	
		9,712,821		10,879,191
Operating Profit before working capital changes		34,818,864		34,134,413
Adjustments for (increase)/decrease in working capital				
Trade and other receivables	(10,136,045)		7,352,531	
Long term loans and advances	(15,611,301)		(12,540,326)	
Inventories	33,978		(394,953)	
short term loans and advances	(783,773)		(3,454,776)	
Provision no longer required	151,377			
Trade payables & current liabilities	12,987,943		(7,170,069)	
Other current liabilities and short term provisions	(1,247,662)		2,971,371	
		(14,605,482)		(13,236,222)
Net cash from operating activities (A)		20,213,382		20,898,191
B Cash flow from investing activities				
Purchase of fixed assets	(6,780,158)		(4,323,419)	
Interest received	240,329		50,170	
Dividend received	544,345		479,397	
		(5,995,484)		(3,793,852)
Net cash from / (used in) investing activities (B)		14,217,898		17,104,339
C Cash flow from financing activities				
Borrowings / (repayment) of borrowings	(421,023)		(3,080,338)	
Interest and finance charges paid	(246,252)		(672,386)	
Purchase of Mutual fund (Net)	(7,125,602)		(5,479,037)	
Dividend payment inclusive of dividend distribution tax	(6,017,882)		(6,056,507)	
		(13,810,760)		(15,288,268)
Net increase (+) or decrease (-) in cash and cash equivalents (A+B+C)		407,138		(1,816,071)
Cash and cash equivalents-Opening balance	4,021,624		5,837,694	
Cash and cash equivalents -Closing balance	4,428,762		4,021,624	
		407,138		(1,816,070)

In terms of our report attached

For Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S

Vivek Sarabeswaran
Partner
M.No.206383

Chennai
Date : 11.04.2016




M R G Appa Rao
Director


Sridharan Rangarajan
Director

NET ACCESS INDIA LIMITED

Notes forming part of the financial statements

1. Corporate information

Net Access India Limited, is a subsidiary of M/s. Carborundum Universal Limited. The company commenced its operations in 2000 and provides IT infrastructure solutions and services to the Murugappa Group companies and other companies. Net Access offers customers the most appropriate technologies from a wide range of leading vendors and manages their technology infrastructures. The company is head quartered in Chennai and provides services pan-India.

2. Significant accounting policies

i. Accounting convention

The financial statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (India GAAP). The said financial statements comply with the relevant provisions of the Companies Act, 2013 (the Act) and the Accounting Standards notified by the Central Government of India under Companies (Accounting Standards), Rules, 2006, as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii. Use of estimates

The preparation of financial statement requires estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities, on the date of the financial statements and the reported revenues and expenses during the reporting year. Management believes that the estimates used in the preparation of financial statements are reasonable and prudent. Further results could differ due to these estimates and differences between actual results and estimates are recognized in the year in which the results are known.

iii. Cash flow statement

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

iv. Tangible & intangible assets and depreciation

Tangible fixed assets are valued at historical cost and comprises of direct costs, related taxes, duties, freight and other attributable expenses. Tangible assets are depreciated on straight line method over the useful life in accordance with Schedule II of the Companies Act, 2013. Intangible assets are depreciated over the estimated useful life on a straight line basis. Residual value of an asset, where the remaining useful life asset is nil has been recognised in the opening balance of retained earnings / general reserve.

v. Borrowing Costs

Borrowing costs are capitalized as part of qualifying fixed assets till the date are put into use. All other borrowing costs are charged to revenue.



vi. Inventories

Stock-in-trade is valued at lower of cost and net realizable value. Cost includes freight, taxes & duties and net of VAT.

vii. Investments

Long term investments are carried at cost. The diminution, if any, in the value of investments stated at cost, is not recognized unless such diminution is considered permanent. Current investments are carried at lower of cost and fair value.

viii. Revenue recognition

For the sale of traded products, revenue is recognized on transfer of significant risks and rewards of ownership to the buyer which coincides with the dispatch of the products to the customers. Service income is recognized over the duration of the contract.

Interest income is accounted on accrual basis and divided income is accounted for when the right to receive the payment is established.

Investment gain / loss is recognized at the time of sale / redemption thereof.

ix. Employee benefits

a. Defined benefit plan

The liability for Gratuity payable to employees as at the Balance Sheet date is determined using the Projected Unit Credit method, and is funded to a Gratuity fund managed by Life Insurance Corporation of India.

b. Defined contribution plan

Fixed contributions to the Provident fund are absorbed in the accounts

c. Leave benefits

Leave encashment benefit to employees is determined as per the company policy based on the expected obligation and provided for in the accounts.

x. Foreign currency transactions & balances

Transactions in foreign currencies are accounted for in rupee terms at the relevant applicable exchange rates prevailing on the date of transaction. Exchange differences arising on actual payments/ realizations and year- end re-statements, if any, are recognized in the statement of profit and loss.

xi. Taxes on income

Current tax is determined on income for the year chargeable to tax in accordance with Income Tax Act, 1961. Deferred tax is recognized for the all the timing differences. Defined tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is a virtual certainty that there will be sufficient future taxable income available to realize such losses. Other deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income available to realize such assets.



Net Access India Limited

Notes forming part of financial statements

3. Share capital

Amounts in Rs.

	As at 31-03-2016	As at 31.03.2015
Authorised		
16,00,000 equity shares of Rs.10 each	16,000,000	16,000,000
Issued, subscribed and paid-up		
16,00,000 equity shares of Rs.10 each (The entire equity shares are held by the holding company i.e Carborundum Universal Limited)	16,000,000	16,000,000

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

Amounts in Rs.

Particulars	31-03-2016		As at 31.03.2015	
	No of Shares	Value of Shares	No of Shares	Value of Shares
Equity shares with voting rights (Face value of Rs.10 per share)				
Total of equity shares	1,600,000	16,000,000	1,600,000	16,000,000
b) Details of shares held by shareholders holding more than 5% of aggregate share in company				
	31-03-2016		As at 31.03.2015	
Name of Shareholders	No. of Shares	% of holding	No. of Shares	% of holding
Carborundum Universal Ltd	1,599,994	100%	1,599,994	100%
Others	6	-	6	-
Total	1,600,000	100%	1,600,000	100%

4. Reserves and surplus

Amounts in Rs.

	As at 31-03-2016	As at 31-03-2015
General reserve	4,661,013	4,650,120
Add : Transfer from Profit and loss account	-	1,590,486
Less : Depreciation debited to reserves in compliance of Companies Act 2013 (Net of Deferred Tax Rs.7,40,089)	-	1,540,968
Less : Dividend tax of earlier year	-	38,625
Balance as at the end of the year	4,661,013	4,661,013
Surplus in the Statement of Profit and loss	43,572,317	35,275,824
Profit for the year	16,670,034	15,904,861
Less : Appropriation		
General reserve	-	1,590,486
Proposed dividend	-	5,000,000
Dividend distribution tax on proposed dividend	-	1,017,882
Total	60,242,351	43,572,317
Grand Total	64,903,364	48,233,330



5. Long term borrowings

Amounts in Rs.

	As at 31-03-2016	As at 31-03-2015
Long term borrowings		
Finance lease obligation	-	423,698
Total	-	423,698

6. Long term Provisions

Amounts in Rs.

	As at 31-03-2016	As at 31-03-2015
Provision for employee benefits - Compensated absences	106,286	52,540
Total	106,286	52,540

7. Deferred tax liabilities (Net)

Amounts in Rs.

	As at 31-03-2016	As at 31-03-2015
Deferred tax liability arising on account of timing differences:		
- Depreciation	2,112,396	3,249,590
- Leased assets	99,139	75,606
Deferred tax asset arising on account of timing differences:		
- Provisions for doubtful debts and advances	(538,447)	(218,260)
- Provisions for leave encashment	(699,416)	(554,719)
- Provisions for gratuity	(514,437)	(373,507)
Total	459,235	2,178,710

8. Trade payables

Amounts in Rs.

	As at 31-03-2016	As at 31-03-2015
Other than acceptances		
Sundry creditors	24,136,559	17,537,188
Other accruals	14,986,530	9,672,561
Bonus payable	587,970	311,758
Unpaid bonus	65,713	5,070
Gratuity payable	1,555,929	1,151,202
Incentive payable	4,000,000	3,550,000
Salary payable	216,221	333,200
Total	45,548,922	32,560,979

9. Other current liabilities

Amounts in Rs.

	As at 31-03-2016	As at 31-03-2015
Secured		
Current maturities of long term debt	-	2,716,870
Unsecured		
Security deposit - Employee car scheme	128,064	128,064
Current maturities of finance lease obligation	423,686	213,195
Advance from Customers	168,599	1,346,877
Advance Billing to Customer	6,631,978	4,803,448
ESI payable	51,986	54,786
PF payable	545,486	482,580
Professional tax payable	42,775	39,731
Employee deduction -Touch-a-life	3,800	4,900
Statutory dues (ST ,VAT & TDS payable)	2,066,964	967,719
Total	10,063,337	10,758,170

10. Short-term provisions

	As at 31-03-2016	As at 31-03-2015
Provision for employee benefits- Compensated absences	2,009,119	1,657,180
Proposed dividend		5,000,000
Dividend tax		1,017,882
Total	2,009,119	7,675,062

12. Non-current investments

	As at 31-03-2016	As at 31-03-2015
Investments - Ciria India Ltd	530	530
Total	530	530

13. Long term loans & advances

	As at 31-03-2016	As at 31-03-2015
Advances recoverable in cash or in kind or for value to be received	2,272,148	2,232,698
Taxation (net of provisions)	33,170,842	27,715,024
Total	35,442,990	29,947,722

15. Inventories

	As at 31-03-2016	As at 31-03-2015
Inventories		
Valued at lower of cost and net realisable value	1,497,884	1,531,862
Total	1,497,884	1,531,862

16. Trade receivables

	As at 31-03-2016	As at 31-03-2015
Outstanding over a period exceeding six months from the date they were due for payment		
Considered good	1,398,533	2,814,352
Considered doubtful	1,628,547	672,709
	3,027,081	3,487,061
Other receivables		
Considered good	40,759,251	29,246,838
	43,786,332	32,733,899
Less: Provision for doubtful debts	1,628,547	672,709
Total	42,157,784	32,061,190

17. Cash and cash equivalents

	As at 31-03-2016	As at 31-03-2015
Cash on Hand	8,081	8,663
Balances with banks		
- Current account	4,420,681	4,012,961
- Fixed Deposits with maturity within three months	7,000,000	1,000,000
Total	11,428,762	5,021,624



18. Short term loans & advances

	As at 31-03-2016	As at 31-03-2015
Unsecured & considered good		
Trade advances	1,698,298	3,267,012
Prepaid expenses	10,538,084	8,521,307
Advance others	28,000	28,000
Travel advance & flood relief advance	503,954	22,788
Balances with statutory authorities		
Service tax recoverable	389,277	793,631
VAT recoverable	352,543	93,645
Total	13,510,156	12,726,383



Net Access India Limited

11. Tangible & Intangible assets

Type of Asset	Gross block				Depreciation & Amortisation				Net Block	
	As at 01-04-2015	Additions	Deletions	As at 31-03-2016	As at 01-04-2015	Additions	Transfer to Reserve	Deletions	As at 31-03-2016	As at 31-03-2015
Tangible Assets										
Plant & Machinery										
- Owned	46,602,074	2,569,080	-	49,171,154	32,511,623	6,259,901	-	-	10,399,630	14,090,451
- Lease	4,036,896	-	-	4,036,896	4,036,896	-	-	-	-	-
Vehicle										
- Lease	1,128,064	-	-	1,128,064	258,144	146,387	-	-	723,533	869,920
Furnitures and Fixtures										
	6,472,821	14,068	-	6,486,889	3,578,587	635,560	-	-	2,272,742	2,894,234
Total	58,239,855	2,583,148	-	60,823,003	40,385,250	7,041,847	-	-	13,395,906	17,854,605
Intangible Assets										
Goodwill	4,896,146	-	-	4,896,146	4,895,146	1,000	-	-	-	1,000
Software	6,269,546	2,610,551	-	8,880,097	1,324,997	2,403,935	-	-	5,151,164	4,944,549
Total	11,165,692	2,610,551	-	13,776,243	6,220,143	2,404,935	-	-	5,151,164	4,945,549
Grand Total	69,405,547	5,193,699	-	74,599,246	46,605,394	9,446,782	-	-	18,547,070	22,800,153



14. Current Investments (at lower of cost and fair value)

Particulars	Quantity in Nos. As at 31.03.2016	Value per unit 31.03.2016	Value As at 31.03.2016	Value As at 31.03.2015
Quoted (Non - Trade)				
Mutual Funds				
HDFC Cash Management Fund- Savings plan-Daily dividend re-investment	312,741	1,040.636	325,449	315,735
HDFC Floating Rate Income Fund	107,065,454	10.274	1,099,947	1,020,631
SBI Magnum Insta Cash Fund - Regular plan - Daily dividend			-	2,180,955
UTI Treasury Advantage Fund - Institutional Plan-Daily dividend re-investment	2,175,467	947.351	2,060,931	2,060,931
UTI- Liquid Cash Plan- Institutional -Daily dividend re-investment			-	1,112,383
ICICI Prudential Money Market Fund -Regular plan- Daily dividend	26,601,886	101.851	2,709,424	2,045,790
Reliance Liquid Fund - Treasury Plan - Daily dividend option			-	2,042,042
TLMD TATA Liquidity Management Fund Plan A - Daily dividend	21,150,174	100.655	2,128,869	1,004,831
Birla Sunlife Cash Plus - Daily dividend - Regular plan - Re-investment	1,119,067	1,817.090	2,033,445	2,009,728
IDFC Cash Fund-Growth-(Regular Plan)	2,532,261	1,000.459	2,533,424	
IDFC Cash Fund - Daily Dividend - (Regular Plan)				
SBI Magnum Insta Cash Fund - Regular plan - Growth	615,430	3,293.843	2,027,130	
Total			14,918,618	13,793,026

14 a) Additions / deletions to current investments during FY 2015-16

Description	Nos.	Nominal Value (Rs.)	Value
Additions during FY 2015-16			
ICICI Prudential Money Market Fund -Regular plan- Daily dividend	4993,533	100.130	500,000
IDFC Cash Fund-Growth-Regular Plan	1119,067	1787.203	2,000,000
IDFC Cash Fund - Daily Dividend - Regular Plan	2498,852	1000.459	2,500,000
SBI Magnum Insta Cash Fund - Regular plan - Growth	615,430	3249.760	2,000,000
Total additions			7,000,000

Deletions during FY 2015-16

Reliance Liquid Fund - Treasury Plan - Daily dividend option	1,352,689	1,528.740	2,067,910
SBI Magnum Insta Cash Fund - Regular plan - Daily dividend option	1,318,242	1,675.030	2,208,095
TLMD TATA Liquidity Management Fund Plan A - Daily dividend option	1,013,563	1,002.609	1,016,207
UTI- Liquid Cash Plan- Institutional -Daily dividend re-investment	1,104,798	1,019.446	1,126,282
Total Deletions			6,418,494

Net increase / (decrease) in Investments

(544,086)



Net Access India Limited				
Notes forming part of financial statements				
19. Revenue from operations				Amounts in Rs.
	2015-16		2014-15	
Sales Income - Traded products				
CST sales	12,080,492		756,102	
Local sales - VAT	20,191,504	32,271,996	21,359,512	22,115,614
Service Income				
IT infrastructure	237,930,906		204,920,580	
Mail service	3,267,878		2,844,741	
Project software	15,992,112		15,971,903	
Web hosting	6,309,219	263,500,114	5,909,391	229,646,615
Total		295,772,110		251,762,230
20. Other income				Amounts in Rs.
	2015-16		2014-15	
Dividend from long term investments				
Dividend income from Ciria		544,345		355
Dividend from current investments				
Dividend income		-		479,041
Interest income				
Interest income		240,329		82,987
Interest on income tax refund		-		-
Other income				
Provision no longer required		151,377		152,473
Others		-		-
	16141-N00			
Total		936,051		714,857
21. Changes in inventories (Stock-in-trade)				Amounts in Rs.
	2015-16		2014-15	
Opening stock		1,531,862		1,136,909
Closing stock		1,497,884		1,531,862
(Accretion)/Decretion to stock		33,978		(394,953)
22. Employee benefit expenses				Amounts in Rs.
	2015-16		2014-15	
Salaries and bonus		83,023,094		75,215,114
Contribution to provident fund and other funds		4,755,277		3,680,415
Welfare expenses		5,872,134		4,599,825
Total		93,650,505		83,495,354

23. Other expenses		Amounts in Rs.	
	2015-16	2014-15	
Service charges- AMC, manpower support and others	61,509,022	51,077,656	
Rent - Data center	39,476,812	33,835,257	
Rent- Office	5,855,515	5,097,247	
Professional service charges	7,148,332	4,323,122	
Travel and conveyance	6,103,650	4,680,532	
Repairs and maintenance	1,023,361	667,482	
Internet charges	3,561,068	2,881,988	
Computer stationery & consumables	7,098,183	5,363,190	
Telephone charges	1,871,074	1,758,208	
Office maintenance	2,769,635	2,362,541	
Electricity charges	1,071,301	975,192	
Rates & taxes	258,789	133,583	
Auditors fee	100,000	100,000	
Provision for doubtful debts	955,838	462,236	
Miscellaneous expenses	1,830,271	1,948,024	
Total	140,632,850	115,666,258	
24. Finance costs		Amounts in Rs.	
	2015-16	2014-15	
Interest			
- On term loans	165,099	561,745	
- Others	81,153	110,641	
Total	246,252	672,386	



	2015-16	2014-15
25	<u>Contingent liabilities and capital commitments</u>	
	Contingent liabilities	-
	Capital commitments	933582
26	<u>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</u>	
	There are no overdue amounts / interest payable to Micro and Small Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006 at the Balance Sheet date.	
27	<u>The details of actuarial valuation in respect of gratuity liability in respect of the company are given below:</u>	
	2015-16	2014-15
	Present Value of Obligation beginning of The Period	4,633,867
	Interest Cost	363,923
	Current Service Cost	863,407
	Past Service Cost	-
	Benefits Paid	(169,655)
	Actuarial (gain) loss on Obligation	(551,778)
	Present Value of Obligation end of The Period	5,139,764
	Fair Value of Plan Assets beginning of The Period	2,136,125
	Expected Return on Plan Assets	244,987
	Contributions	1,278,291
	Benefits Paid	(169,655)
	Actuarial Gain (Loss) Plan Assets	498,814
	Fair Value of Plan Assets end of The Period	3,988,562
	Total Actuarial gain (loss) to be recognised	1,050,592
	Balance Sheet Recognition	
	Present Value of Obligation	5,139,764
	Fair Value of Plan Assets	(3,988,562)
	Liability (Assets)	1,151,202
	Unrecognised Past Service Cost	-
	Liability (Asset) recognised in the Balance Sheet	1,151,202
	Profit & Loss - Expenses	
	Current Service Cost	863,407
	Interest Cost	363,923
	Expected Return on Plan Assets	(244,987)
	Net Actuarial (gain) loss recognised in the year	(1,050,592)
	Past Service Cost	-
	Expenses Recognised in the statement of Profit & Loss	(68,249)
	Actual Return On Plan Assets	
	Expected Return On plan assets	244,987
	Actuarial gain (Loss) Plan Assets	498,814
	Actual Return On Plan Assets	743,801
	Movement in the Net Liability recognised in the Balance Sheet	
	Opening Net Liability	2,497,742
	Expenses	(68,249)
	Contribution	(1,278,291)
	Closing Net Liability	1,151,202
	Data	31/03/2015
	No.	229
	Avg. Age	30 yrs.
	Avg. Sal.	Rs. 7,911
	Avg. PS	3 yrs.
	Obligation	42,064
	Current	1,464,801
	Non-current	3,674,963
	Total	5,139,764
	2015-16	2014-15
28	Segmental disclosure	
	The company has only one segment of business which is Information technology (IT) services.	
29	Foreign currency transactions	
	a.Value of imports on CIF basis	-
	b.Expenditure in foreign currency	1,977,800
	c. Earnings in foreign currency	-
30	Auditors' fees	
	For statutory audit	90,000
	For tax audit	10,000
	100,000	100,000



31. Related party disclosures

- a) Related party relationships as identified by the Management and relied upon by Auditors

Holding company

Carborundum Universal Ltd.

Subsidiaries of the holding company

- a. CUMI America Inc., USA
- b. Southern Energy Development Corporation Limited
- c. Sterling Abrasives Ltd
- d. CUMI Australia Pty Ltd., Australia
- e. CUMI International Limited, Cyprus
- f. CUMI Middle East FZE, Ras Al Khaimah, UAE
- g. CUMI Canada Inc, Canada
- h. OAO Volzhsky Abrasives Works, Russia
- i. Foskor Zirconia (Pty) Ltd, South Africa
- j. CUMI Abrasives & Ceramics Company Limited
- k. Thukela Refractories Isithebe (Pty) Ltd
- l. CUMI Europe S.R.O
- m. Cellaris Refractories India Limited

Amounts in Rs.

b.) Transactions with related parties	FY 2015-16		
	CUMI-INDIA	STERLING ABRASIVES	TOTAL
Sales	338,567	4,576.00	343,143
Service income	17,084,961	832,016.00	17,916,977
Salary on deputation	-	-	-
Medical Insurance Premium	-	-	-
Management Service Expenses	1,641,576	-	1,641,576
Debtors	1,494,766	130,072	1,624,838
Creditors	389,687	-	389,687
Maximum amount due at any time during the year	4,509,056	247,979	4,757,035

Amounts in Rs.

Transactions with related parties	FY 2014-15		
	CUMI-INDIA	STERLING ABRASIVES	TOTAL
Sales	1,017,154	68,096	1,085,250
Service income	16,128,676	656,676	16,785,352
Salary on deputation	178,434	-	178,434
Medical Insurance Premium	-	-	-
Management Service Expenses	1,641,576	-	1,641,576
Debtors	1,102,414	92,316	1,194,730
Creditors	376,013	-	376,013
Maximum amount due at any time during the year	4,467,830	181,371	4,649,201

32 Notes relating to Leases

The company has acquired vehicle under finance lease with the asset acquired as security

Particulars	31-03-2016	31-03-2015
Cost of leased assets	1,128,064	1,128,064
Net carrying amount	723,534	869,921
Reconciliation between total minimum lease payments & their present value:		
Total minimum lease payments	468,167	762,516
Less: Future liability on interest account	44,459	125,613
Present value of lease payments	423,708	636,903

Year - wise future minimum lease rental payments

Particulars	Total minimum lease payments as on 31.03.2016	Present value of lease payments as on 31.03.2016	Total minimum lease payments as on 31.03.2015	Present value of lease payments as on 31.03.2015
Not later than one year	468,167	423,708	294,348	213,195
Later than one year and not later than five years	-	-	468,167	423,698
Later than five years	-	-	-	-



NET ACCESS INDIA LIMITED

33 Notes to Earnings per share (EPS)

There are no potential equity shares and hence the basic and diluted EPS are the same

Particulars	31.03.2016	31.03.2015
Net profit for the year (In Rs.)	16,670,034	15,904,861
Weighted average number of equity shares outstanding during the year	1,600,000	1,600,000
Earnings per share - Basic and diluted	10.42	9.94
Number of equity shares at the beginning of the year	1,600,000	1,600,000
No. of equity shares at the end of the year	1,600,000	1,600,000
Weighted average no. of equity shares	1,600,000	1,600,000

34 General

- a. Based on the nature of the business of the Company and the normal time between the acquisition of assets and their realisation in cash and cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.
- b Previous year figures have been regrouped wherever necessary to conform to current year's grouping

For Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S


Vivek Sarabeswaran
Partner
M No : 206383

Chennai
Date : 11.04.2016




M R G Appa Rao
Director


Sridharan Rangarajan
Director