



SILVERLINE
TECHNOLOGIES LIMITED

22nd
ANNUAL REPORT
2013-2014

BOARD OF DIRECTOR

Ravi Subramanian, Chairman

Mohan Subramanian Wholetime Director

Dr. Narayan Raman

Krishnakumar Subramanian

AUDITORS

P C Surana & Co

Chartered Accountants

205/6 Standard House

83 Maharshi Karve Road

Marine Lines

Mumbai 400 002

REGISTERED OFFICE

No. 121, SDF IV, SEEPZ, Andheri (East),

Mumbai-400 096. Tel. No. 28291950 / 28290322

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited

C-13, Kantilal Maganlal Industrial Estate,

Pannalal Silk Mills Compound,

LBS Marg, Bhandup (W), Mumbai 400 078.

Tel. No. : 25963838 Fax : 25946969

Bankers

The SHAMRAO VITHAL CO-OP BANK LTD

The Lakshmi Vilas Bank Ltd.

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NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the members of **SILVERLINE TECHNOLOGIES LIMITED** will be held Wednesday, 23rd September, 2015 at 3.30 PM at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Profit and Loss Account of the Company for the year ended 30th June 2014 and the Balance Sheet as at that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Narayan Raman, who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint M/s P.C. Surana & Co, Chartered Accountants [Reg No. 110631W], who retire at this meeting, being eligible and willing to act as Auditors, be appointed auditors of the Company to hold office till the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors.

SPECIAL BUSINESS

4. To Consider and if thought fit to pass with or without modifications the following Resolution as a Special Resolution:

“RESOLVED THAT THE consent be and hereby given to Board of Directors acquire a company incorporated in Canada under the name and style M/S. 2i Solution Inc. Canada by issue of Equity shares of the company and entered into share purchase agreement with the stock holders of said incorporation at price determined by the lead manager valuation report and subject to the approval of concerned authorities as required.”

“RESOLVED FURTHER THAT pursuant to the Section 42 of the Companies Act 2013 and the Rules and provision made under that Act (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the memorandum and Articles of Association of the company and the listing agreement entered into by the company with the stock exchanges where the company shares are listed and subject to guidelines , Subject to the provision of FEMA [Foreign Exchange management Act] and regulations and clarification issued by the Securities and Exchange Board India (hereinafter referred as SEBI) for the time being in force and subject to the approvals, consents and permissions and sanctions of the appropriate authorities (hereinafter collectively referred to as the appropriate Authorities). If and to the extent necessary and subject to such conditions and modifications as may be prescribed under the applicable law imposed while such approval, consents, permissions and the Sanctions (hereinafter referred as “requisite approvals”) which may be agreed by the Board of Directors of the company(hereinafter referred as “the board” which term shall deemed to include any committee which the Board of Directors of the Company may have constituted or herein after constitute to exercise its powers including the power conferred by this Resolution) the Boards is in hereby authorised to create , issue and allot for consideration other than cash not exceeding 6,00,00,000 (Six Crores) Equity Shares of the company of Rs. 10 each to the shareholders of the said 2i Solution Inc, Canada such as Capital ventures, individual, person and/or incorporation in swap for consideration to acquire an incorporation registered in the Canada called “2i Solutions Inc.” in a such a manner and on such term and conditions as may be determined by the Board in its absolute discretion and in accordance with the guidelines for preferential issue contained in the SEBI (Disclosure and Investor Protection) Guidelines in this behalf.”

“FURTHER RESOLVED THAT the Said Equity shares allotted within the 30 thirty days from the date of this Resolution or 30 days from the date of receipts of any approval of the Securities and Exchange Board of India or any other authority as may be required from time to time.”

RESOLVED FURTHER THAT the equity shares when allotted in terms of this resolution shall rank pari passu in all respects with then existing equity shares of the Company and will be listed at the recognized stock Exchange.”

“RESOLVED FURTHER That for the purpose giving effect to the above resolution , the board be and is hereby authorised on behalf of the Company to take all actions and do all such deeds , matters and things as it may in its absolute discretion, deem necessary , desirable or expedient to the issue or allotment pf the above mentioned Equity shares and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties arise in the said proposed issue of shares”.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or the chairman or any officer or director of the Company to give effect to the aforesaid Resolution.”

Place: Mumbai
Dated : 20th August, 2015

Mohan Subramanian
Wholetime Director

NOTES:

1. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956, which sets out details relating to Ordinary Business to be transacted at the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE SAME SHOULD BE DULY SIGNED IN ORDER TO BE EFFECTIVE.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 17/09/2015 to 23/09/2015 (both days inclusive) in terms of Section 154 of the Companies Act, 1956.
4. As per the Circular No. MRD/Dop/Cir-05/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI) it is mandatory to quote PAN for transfer of shares in physical form. Therefore, the transferee (s) is required to furnish a copy of their PAN card to the Company/Registrar and Share Transfer Agent of the Company for registration of transfer of shares.
5. Shareholders holding shares in physical form, are requested to intimate their change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to Link Intime India Private Limited, C-13, Kantilal Maganlal Industrial Estate, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078. Beneficial owners holding shares in electronic form are requested to intimate their change in address/ Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP) in order to get the same registered.
6. Members are requested to quote their folio numbers/Client ID No. and contact details in all correspondence with the Company/ Registrar and Share Transfer Agent.
7. Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
8. Pursuant to provisions of Section 109A of the Companies Act, 1956, every member or joint holders holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or the joint holders and register the same with Link Intime India Private Limited, Registrar and Share Transfer Agent. Members or joint holders holding shares in demat form may contact their respective DP for availing this facility.
9. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956 will be made available for inspection by the Members on all working days during business hours during the period beginning fourteen days before the date of Annual General Meeting and ending three days after its conclusion.
10. For faster communication and for supporting in full measure, a green initiative taken by the Ministry of Corporate Affairs, allowing services of notice/documents including Annual Report through e-mail, the shareholders holding shares in electronic form are requested to kindly register/update their e-mail addresses with their respective depository participants. The shareholders holding shares in physical form are requested to register/update their email addresses with Link Intime India Private Limited Registrar and Share Transfer Agent of the Company.
11. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Director of the Company at the Company's Registered Office, so as to reach at least 7days before the date of the meeting, so that the information required may be made available at the meeting to the best extent possible.
12. Re-appointment / Appointment of Directors. At the ensuing Annual General Meeting, Mr. Narayan Raman is retiring by rotation and being eligible offer himself for re-appointment. The information or details pertaining to the Directors to be provided in terms of Clause 49 of the Listing Agreement is furnished in the Statement on the Corporate Governance published elsewhere in this Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION TO SECTION 173(2) OF THE COMPANIES ACT 1956**ITEM No.2**

The information or details pertaining to the Director retiring in this meeting and offering himself for re-appointment is as under:

Name	: Dr.Narayan Raman
Date of Birth	: 6th February, 1969
Experience in specific functional area	: Dr. Raman got his PhD from University of Tennessee, Memphis TN USA in the field of Medical sciences in 1996, and continued further as a senior scientist in the field of Cancer Biology. As a part of diversification and opportunities lying ahead, in 1997 he was involved in Media and Entertainment business. He is currently involved in the area of Telecom Solutions and Entertainment.

Qualifications : Doctorate in Medical Science
Other Company in which Directorship held : Silverline Technologies Limited
Click Telicom Private Limited
Click Teleservices Private Limited
Brahma Intractive Networks Solutions Private Limited
No. of Shares held on 30th June, 2014 : Nil

Item no. 4

Considering the potential of your company and in the best interest of the shareholders of the company with its global presence your director has decided the inorganic growth of the company through issue of the company Equity shares in accordance with the SEBI guideline and provision and Rules of the various Act as prescribed to issue such shares.

Further to members approval the Company will issue the Equity shares of the Company to the stock holders of 2i Solution Inc, a Company registered in Canada at the value determined by the Lead manager as per SEBI guideline.

The shares may be listed at the recognized Stock Exchanges in India and paripassu with the existing share.

The Special resolution, passed, will have the effect of allowing the Board to issue and allot shares to the stock holders of the 2i Solutions Inc. Canada.

Your Director recommends the Resolution set out in item no 4 of the notice for the approval of members.

None of the Directors are concerned or interested in this Resolution.

Place: Mumbai
Dated : 20th August 2015

Mohan Subramanian
Wholetime Director

DIRECTOR REPORT

Your Directors are pleased to present you the 22nd Annual Report with the Audited Accounts for the fiscal year from 1st July 2013 to 30th June 2014.

Financial Results (Consolidated)

	Year Ended 1/7/2013 to 30/6/2014	Year Ended 1/7/2012 to 30/6/2013
	Rs. In million	Rs. In million
Income	76.50	261.17
Total Income gross Profit (PBDIT)	(15.52)	(5.08)
Depreciation and amortization	2.30	6.04
Profit before Taxes	(84.42)	11.13
Less: provision for Taxation	0	0.43
Differed tax	0.36	(0.06)
Net profit/Loss	(84.06)	(11.64)
Profit available for appropriation- brought Forward	144.08	155.72
Profit available for appropriation	60.03	144.08

Performance

During the year your company has reported standalone revenues at Rs. 5.20 million. The net loss during the year after depreciation and deferred tax is of Rs. 4.34 million.

The review of the performance for the year ended June 30, 2014 and the business outlook of the company is included in section on Management Discussion and Analysis included in Annexure "C" to this report.

Fixed Deposits:

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the balance sheet date.

Directors:

Mr. Mohan Subramanian retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

Auditors:

The Auditors M/s. P C SURANA & CO., Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

Subsidiary Companies:**Directors Responsibility Statement:**

Your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period 30th June 2014.
- iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that they had prepared the annual accounts on a going concern basis

Corporate Governance:

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a report on Corporate Governance is given in Annexure "B"

Management Discussion and Analysis

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a section on management discussion and analysis is given in Annexure "C"

Employee Particulars

Particulars of employees as required under section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employee) Rules, 1975, as amended, forms part of this report.

However, in pursuance of section 219(a)(b)(iv) of the Companies Act, 1956, this report is being sent to all the shareholders of the Company excluding the aforesaid information. The members interested in obtaining such particulars may write to the Chairman at the Registered Office of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are set out in Annexure "A" included in this report.

Acknowledgements

Your Directors place on record their appreciation of the support extended by Customers, Investors, Bankers, Business Associates, Vendors, Share Holder's and various Government Agencies. Your directors would also like to place on record the contribution made by the employees / consultants who have together contributed for the success of your Company.

On behalf of the Board

20TH August, 2015
Mumbai

Ravi Subramanian
Chairman

ANNEXURE “A” TO THE DIRECTORS REPORT

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of energy:

The Company's operations are not power intensive. Nevertheless, your Company has introduced various measures to conserve and minimize the use of energy.

B. Research & Development (R & D):

a) Specific areas in which R & D is carried out by the Company:

R&D activities include tools development with the object of devising efficient methods of pre-production phase The Company has in place a quality assurance team to ensure adherence to stringent quality norms.

b) Benefits derived as a result of the above R&D:

Reduction in cost and improvement in quality adaptability of Software Systems and Packages.

c) Expenditure on R & D:

Expenditure on R & D has been charged under primary heads of accounts.

C. Technology Absorption. Adaptation & innovation:

No technology has been imported.

Indigenous technology available is continuously being upgraded to improve overall performance.

D. Foreign exchange earnings & Outgo:

Activities relating to Exports & Export Plans:

The Company is making continuous efforts to explore new foreign markets and to enlarge its shares in the existing markets for export of digital animation content.

Information on Foreign Exchange earnings and outgo are specified in the notes to the accounts

On behalf of the Board

20TH August, 2015
Mumbai

Ravi Subramanian
Chairman

ANNEXURE “B”

DIRECTOR’S REPORT ON CORPORATE GOVERNANCE

a) Company’s Philosophy

Silverline’s business objective and that of its management and employees is to render software consulting services in such a way as to create value that can be sustained over the long term for customers, shareholders, employees, business partners and the national economy.

b) Board of Directors

During the period under review the Board of Directors comprised a Whole time Director and 4 Non Executive Directors. During the period from 1/7/2013 to 30/6/2014, 8 Board Meetings were held on, 30/09/2013, 15/10/2013, 04/01/2013, 15/02/2013, 31/03/2013, 16/05/2013, 30/06/2014, 12/06/2014 The Composition of the Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also no. of other Directorships, etc. are as follows:

Name of Director	Category of Directorship No. of Committees	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships
Mr. Ravi Subramanian	Promoter - Chairman Chairman- Nil Member-1	5	No	0
Mr. Krishnakumar Subramanian	Promoter - Director Chairman -1 Member -2	8	Yes	3
Mr. Mohan Subramanian	Promoter - Whole-time Director Chairman- NIL Member -3	8	Yes	3
Dr. Narayan Raman	Independent Non Executive Director Chairman -Nil Member -Nil	5	Yes	4

c) Audit committee

i) terms of reference

The role and terms of reference of the Audit Committee covers the areas mentioned in clause 49 of the Listing Agreement with Stock Exchanges and section 292A of the Companies Act, 1956, besides other terms as may be referred to by the Board of Directors. The minutes of the Audit Committee Meetings are taken note of by the Board.

ii) Composition

The Audit Committee comprised of 3 Directors. The committee held four meetings during the period from 01/07/13 to 30/06/14. The attendance of the members at the meetings were as follows:

Name of the member	Status
Mr. Mohan Subramanian	Chairman
Dr. Narayan Raman	Member
Mr. Krishnakumar Subramanian	Member

Remuneration Committee terms of reference

To review, assess and recommend the remuneration package of the executive directors and executive managers. The minutes of the Remuneration Committee Meetings are taken note of by the Board.

Composition

The Remuneration Committee comprised of 3 Directors.

Name of the member	Status
Mr. Krishnakumar Subramanian	Chairman
Mr. Mohan Subramanian	Member
Dr. Narayan Raman	Member

iii) Remuneration policy

Remuneration of employees largely consists of base remuneration, perquisites and performance incentive. The components of total remuneration vary for different grades and are governed by industry patterns, qualification and experience of the employee, responsibilities handled, individual performance, etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent and reward merit.

iv) Details of Remuneration for period 01/07/2013 to 30/06/2014

Mr. Mohan Subramanian Whole-time Director

Name of the Wholetime Director	Salary Rs.	Commission Rs.	Perquisite Rs.	Retirement Benefits Rs.	Stock Options Rs.
Mr. Mohan Subramanian	0	Nil	-	Nil	Nil

d) Shareholders'/Investors' grievance committee**i) Terms of Reference**

To look at redressing of shareholders and investors complaints like transfer of shares, non-receipt of Balance Sheet, non receipt of dividends etc. The minutes of the Shareholder's/Investor's Grievance Committee Meetings are taken note of by the Board.

ii) Composition

The Shareholders'/Investors' Grievance Committee comprised the following Directors:

Name of the member	Status
Dr. Narayan Raman	Chairman
Mr. Mohan Subramanian	Member
Mr. Krishnakumar Subramanian	Member

The Committee met once during the period 01/07/2013 to 30/06/2014 where all the members were present.

The Board has delegated the powers of approving transfer of shares to the Registrar and Share Transfer Agents M/s. Link Intime India Pvt Ltd, Mumbai.

iii) Shareholders Complaints

Particulars	Letters in the nature of complaints
1. No. of shareholders complaints received during the period 1.7.2013 to 30.6.2014	165
2. No. of shareholders complaints mentioned above not solved to the satisfaction of the shareholders	89
Pending Share Transfers as on June 30, 2014	NIL
Pending Demat Requests as on June 30, 2014	NIL

* The pending shareholders complaints relate to shareholders/ investors suits / disputes / legal cases pending in civil courts, consumer forums, etc. Such suits / disputes / legal cases are initiated by investors / acquires against transferees who have allegedly sought wrongful transfers i.e. on account of postal interceptions/thefts/ forgeries etc., of instruments of transfers lodged with the Company. The majority of such cases are at various stages of resolution and would be finally disposed off in accordance with the rulings of the adjudicating authorities.

e) General Body meeting

Particulars of the last three years Annual General Meetings:

Financial Year	Date	time	Location
2009-10	26-12-2009	11:00 a.m	Shanmukhananda Conventional Hall Sion (E), Mumbai- 400022
2009-10	25-02-2011	11:00 a.m	The Shanmukhananda Fine Arts & Sangeetha Sabha, Conventional Hall, Sion (E), Mumbai- 400022.
2010-11	30-03-2012	11:00 a.m	Dr. M. S. Subbulakshmi Auditorium, Plot H, Bhaudaji Road Extn., Near King's Circle Rly. Stn., Sion (W), Mumbai - 400 022.

The Company has not passed any resolution through Postal Ballot in any of the above-mentioned meetings.

f) Disclosures**Related party transactions:**

Please refer to the note no. 21 of Notes to Accounts provided with financial statements.

i) Means of communication

- i) Quarterly results are published in prominent daily newspapers viz. The Free Press Journal, NavShakti.
- ii) Management's Discussion and Analysis forms part of this Annual Report, which is posted to the shareholders of the Company.

g) General Shareholders information

- i) The Annual General Meeting is proposed to be held on 23rd September, 2015 at 03:30 PM at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071.

ii) Financial Calendar

Annual General Meeting	23rd September, 2015
Payment of Dividend	Nil

iii) Dates of Book closures

17th Sept 2015 to 23rd Sept 2015 (Both days inclusive)

iv) Dividend payment date: Not applicable

v) Listing of equity shares on stock exchanges at: Mumbai (BSE)

Stock Code on Mumbai Stock Exchange: Rolling Settlement - 500389 (under suspension)

vi) Registrar and share transfer agent: Link Intime India Private Ltd., C-13, Kantilal Maganlal Industrial Estate, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.

vii) Share transfer system

The Company's shares are traded on the Stock Exchanges compulsorily in demat mode. In case of transfers not on the floor of the Stock exchange physical shares which are lodged for transfer with the Transfer Agents are processed and returned to the shareholders within a period of 30 days.

viii) Distribution of shareholding as on June 30, 2014

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
01-5000	202503	94.1000	12462035	20.7750
5001-10000	6081	2.8260	4825738	8.0450
10001-20000	3172	1.4740	4713674	7.8580
20001-30000	1125	0.5230	2858670	4.7660
30001-40000	504	0.2340	178664	2.9780
40001-50000	435	0.2020	2045719	3.4100
50001-100000	738	0.3430	5417797	9.0320
100001 and above	641	0.2980	25875215	43.1360
Total	215199	100.0000	59985488	100.0000

ix) Categories of shareholders as on June 30, 2014

Category	No. of shares	Percentage
PROMOTORS	5,825	0.01%
BANK & MUTUAL FUND	1,18,772	0.2%
DOMESTIC COMPANY	10,99,409	1.84%
INDIAN PUBLIC & OTHERS	517,71,417	86.30%
NON RESIDENT	69,90,065	11.65%
Total	5,99,85,488	100.00%

x) Dematerialisation of shares

As on June 30, 2014, 99.62% of the Companies total shares representing 5,97,58,852 shares were held in dematerialised form and the balance 0.38% representing 226,636 shares were in physical form.

xi) **Address of Company**

Location of Software Development Centers: Unit No 121, SDF IV. Seepz, Andheri East, Mumbai 400 096

Address of correspondence:

The Company's Registered Office is situated at: Unit 122, SDF IV, SEEPZ Andheri, Mumbai 400 096

Shareholders Correspondence should be addressed to

Link Intime India Private Ltd, C-13, Kantilal Maganlal Industrial Estate, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.

Shareholders holding share in electronic mode should address all their correspondence to their respective Depository Participants (DPs)

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To The Board of Directors of Silverline Technologies Limited We have reviewed implementation of Corporate Governance procedure set by Silverline Technologies Limited ("the Company") for the year ended June 30, 2014 with the relevant records and documents maintained by the Company and furnished to us for our review

Based on our verification and information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges.

P C Surana & Co
Chartered Accountants

Place : Mumbai

Date : 20th August, 2015

WHOLETIME DIRECTOR CERTIFICATION

We the undersigned in our respective capacities as Wholetime Director of Silverline Technologies Limited ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 30th June, 2014 and that to the best of our knowledge and belief, we state that:
 - i. These statement do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:-
 - i. significant changes, if any, in internal control over financial reporting during the year.
 - ii. Significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Place: Mumbai

Date: 20th August,2015

Mr. Mohan Subramanian
Wholetime Director

ANNEXURE "C"

MANAGEMENT DISCUSSIONS & ANALYSIS

The Indian information technology IT-ITES industry has played a key role in putting India on the global map. Over the past decade, this sector has become the country's premier growth engine, crossing significant milestones in terms of revenue growth, employment generation and value creation, in addition to becoming the global brand ambassador for India.

According to a recent report developed by NASSCOM, Perspective 2020, the current industry size of IT-BPO approximately USD 60 billion is projected to grow to approximately USD 225 billion by 2020, and possibly larger. It also estimated that up to 80 per cent of this growth would like to come from adjacent areas where traditional IT-BPO work, combined with deep domain knowledge, innovation and IT- based growth engines would help create new opportunities and Market.

Future Outlook

With a compounded annual growth rate (CAGR) of over 24% in the last decade, the Indian IT/ITeS industry has emerged as a key growth engine for the economy, contributing around 5.6% to the country's Gross Domestic Product (GDP) in FY 2011 and also providing direct employment to about 2.3 million people (from just about half a million in 2001). It remains one of the biggest sectors for wealth generation in the country. As per the industry body, NASSCOM, the sector is estimated to provide direct employment to 10 million and indirect employment to 20 million by 2020.

Opportunities and threat

The ever-increasing focus towards automation and business process improvements has presented an opportunity for use of technology in almost all spheres of business activity. The advantages available to the Company are:

- (a) availability of skilled professionals at competitive rates; (b) with in-depth industry knowledge and experience; and
- (c) global delivery capability through Software Development Centres in India and North America, south America and asian continent.

Segmentwise revenue

The Company recognizes information technology services as the single business segment that constitutes the primary basis of segmental reporting set out in its financial statements.

Internal Control

The Company has an internal control function inbuilt into its operation environment to validate the efficiency of internal control systems, effect checks regularly and report to the management and the Audit Committee, comprising of independent Board members and the statutory auditor.

Risks and Concerns

The Company, with its current strengths and going forward with strong business opportunities in the pipeline and revenue streams is definitely poised in a better position to grow. To address their growth needs and overall industry demands the Company has to be more innovative and look into good recruitment and compensation strategies for existing staff.

Operations

The Company has positioned itself in the area of IT, ITES, and further is strengthened with the recent expansion, which the Company has embarked upon.

The Company is currently seeking to embark on strategic new business initiatives in training and other allied services. A detailed Plan is being worked out to have a go to market approach.

Financial Performance

Share Capital

The Company has total paid up capital of 5,99,85,488 equity shares of Rs 10 each.

Fixed Assets

During the year the Company has not made purchase of Fixed Assets.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SILVERLINE TECHNOLOGIES LIMITED.

Reports on the Financial Statements

We have audited the accompanying financial statements of M/s. SILVERLINE TECHNOLOGIES LIMITED ("the Company") which comprise the Balance Sheet as at 30th June, 2014, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of the Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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.

Auditors' 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 misstatements.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors 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 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 according 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2014
- (ii) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (iii) in the case of the Cash flow Statement, of the Cash Flows for the year ended 30th June, 2014.

Emphasis of Matter

- 1) We draw attention to note no. 17 to the financial statements regarding non provision for interest liabilities towards its lender M/s Indiabull Financial Services Limited.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

2. 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 purposes of our audit ;
- (b) In our opinion, proper books of accounts as required by law, have been kept by the company so far as appears from our examination of the books of the company;
- (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts of the Company ;
- (d) In our opinion, the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of Companies Act, 1956 read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of the Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from directors as on 30th June, 2014, and taken on record by the board of directors, in our opinion, none of the directors is disqualified as on 30th June, 2014 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 ;

For P.C. Surana & Co.
Chartered Accountants
(Registration No.110631W)

Place : Mumbai
Dated : 20th August, 2015

P.C. Surana
Partner
M. No: 017136

ANNEXURE TO AUDITORS' REPORT

Referred to in the Auditor's Report of even date to the members of SILVERLINE TECHNOLOGIES LIMITED, MUMBAI on the financial statements for the year ended 30th June, 2014

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- ii) In respect of its inventories:
- As explained to us, the Company did not have any physical stock during the year under report.
 - In our opinion and according to the information and explanations given to us, our comments on matters specified in clause 4(ii) of the Order are not required.
- (iii) In respect of loans, secured or unsecured granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
- The Company has given loans or advances to one such party. In respect of such loans or advances the maximum amount outstanding at any time during the year was Rs 365.52 Lacs and year-end balance is Rs 334.90 Lacs .
 - In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions of the loans or advances given by the Company, are prima facie not prejudicial to the interest of the Company.
 - The loans or advances given by the Company to such parties are repayable on demand.
 - In respect of the said loans or advances and interest thereon, there are no overdue amounts.
 - During the year, the Company has taken unsecured loans of Rs 10.06 Lacs from one such party. The maximum amount at any time during the year from two such parties was Rs.14.09 lakhs and year end balance was Rs 14.09 Lacs.
The rate of interest, wherever applicable in respect of such loans and other terms and conditions are prima facie not prejudicial to the interest of the Company. The principal amount of such loans is repayable on demand and there is no overdue amount in respect of such loans.
- iv) In our opinion, and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to purchase of fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
- v) In respect of transactions covered under section 301 of the Companies Act, 1956:
- In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - In our opinion and according to the information and explanations given to us, the Company has not made any transactions exceeding Rs. 500000/-during the year in pursuance of contracts or arrangements with such parties and therefore our comments are not required on reasonability of prices of transactions with such parties.
- vi) The Company has not accepted any Fixed Deposits from the public other than from director and their relatives during the year and therefore, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act,1956 and the rules framed there under does not arise.
- Vii) In our opinion, the Company does not have an adequate Internal Audit System commensurate with its size and ature of its business. However company is in the process to appoint internal auditor.
- viii) The Central Government has not prescribed the maintenance the cost accounting records by the Company under section 209(1) (d) of the Act for any of its product.

ix) a) According to the information and explanations given to us, company has defaulted in depositing the undisputed statutory dues in respect of Provident Fund, Employees State Insurance, Professional Tax, Income tax deducted at Source by it and funds payable to Investor Education and Protection Fund .

b) As regards the disputed statutory liabilities –

Based on the representation by the Management, we report that there are disputed income tax liabilities of Rs. 9734.81 lakhs in respect of the Assessment Years 2001-02; 2002-03; 2003-04 and 2011-12 as on date of our reporting. Details of authorities before whom the tax proceedings are pending have not been provided to us and we are also not able to comment on the outcome of income tax proceedings.

x) The Company does not have any accumulated losses at the end of the year. However The Company incurred cash losses of Rs. 24.11 lakhs during the financial year covered by our audit as well as of Rs.102.04 lakhs in the immediately preceding financial year.

xi) The Company does not have any secured/unsecured loans from bank or financial institutes and hence the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities..

xiii) In our opinion the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xiv) The Company is not dealing in or trading in Shares, Securities, Debentures and other instruments. Therefore, the provisions of clause 4(xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xv) According to the information and explanation given to us, the Company has not given guarantee in respect loans taken by other companies from Banks and financial institutions .

xvi) According to the information and explanation given to us, in our opinion, term loan obtained has been prima facie applied for the purpose they were obtained .

xvii) According to the information and explanations give to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

xviii) During the year the Company has not made any preferential allotment to parties and companies covered in the register maintained under Section 301 of the companies act, 1956.

xix) The Company has not issued any Debentures during the year and therefore the question of creation of security or charge does not arise.

xx) During the year, the Company has not raised any money by way of public issue and the question of disclosing the end use of money by the management does not arise.

xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For P.C. Surana & Co.
Chartered Accountants
(Registration No.110631W)

Place : Mumbai
Dated : 20th August, 2015

P.C. Surana
Partner
M. No: 017136

BALANCE SHEET AS AT 30TH JUNE, 2014
CIN:L99999MH1992PLC066360

PARTICULARS	Notes	As at 30th June, 2014 Amount (Rs.)	As at 30th June, 2013 Amount (Rs.)
I. EQUITY AND LIABILITIES			
1. Share Holders Funds			
(a) Share Capital	2	599,854,880	599,854,880
(b) Reserves and Surplus	3	852,027,549	856,370,363
(c) Money received against Share warrants		-	-
2. Share Application money pending allotment		-	-
3. Non Current Liabilities			
(a) Long Term Borrowings	4	101,285,241	101,325,241
(b) Deferred Tax Liabilities (Net)		188,851	553,533
(c) Long Term Provision		-	-
4. Current Liabilities			
(a) Short Term Borrowings		-	-
(b) Trade Payables		19,901,583	15,243,093
(c) Other Current Liabilities	5	6,113,765	5,906,641
(d) Short term Provisions	6	20,308,474	20,308,474
		<u>46,323,822</u>	<u>41,458,208</u>
Total Equity and Liabilities		<u>1,599,680,343</u>	<u>1,599,562,225</u>
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets	7		
(i) Tangible assets		1,929,603	4,225,632
(ii) Intangible assets		-	-
(iii) Capital Work in Progress		-	-
(b) Non Current Investment	8	1,520,000,000	1,520,000,000
(c) Long Term Loans and Advances		-	-
2. Current Assets			
(a) Work in process		-	-
(b) Trade Receivables	9	31,003,502	25,799,852
(c) Cash and cash equivalents	10	6,603,853	6,628,680
(d) Short Term Loans and Advances	11	40,143,385	42,908,062
		<u>77,750,740</u>	<u>75,336,593</u>
Misc. Expenditure [to the extent not written off]		-	-
Total Assets		<u>1,599,680,343</u>	<u>1,599,562,225</u>
Significant Accounting Policies	1		
Other Notes on Accounts	17 to 24		

The accompanying notes are integral part of the financial statements

For P C Surana & Co.

Chartered Accountants

[Reg No. 110631W]

For SILVERLINE TECHNOLOGIES LIMITED

P C Surana

Partner

M No:- 017136

Mumbai, 20.08.2015

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 20.08.2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30TH JUNE, 2014
CIN:L99999MH1992PLC066360

Particulars	Notes	30th June, 2014	30th June, 2013
		Amount	Amount
Revenue from Operations	12	5,203,650	19,060,000
Other Income	-	-	-
Total Revenue (I+II)		5,203,650	19,060,000
Expenses:			
Software development charges		-	3,738,845
Total Employees Expenses	13	3,230,742	3,597,188
Financial Cost		-	-
Depreciation and Amortisation expenses	14	2,296,029	2,484,558
Other Expenses	15	4,384,376	21,928,691
Total Expenses (IV)		9,911,147	31,749,282
Profit Before Exceptional and Extraordinary items and Tax		(4,707,497)	(12,689,282)
Exceptional Items (See note 1)		-	-
Profit Before Extraordinary items and Tax		(4,707,497)	(12,689,282)
Extraordinary items		-	-
Profit Before Tax		(4,707,497)	(12,689,282)
Tax Expenses			
(a) Current Tax - Income Tax		-	-
(b) Deferred Tax		364,682	(65,120)
(c) Provision of Tax (Earlier Years)		-	-
Profit/(Loss) from the period from continuing operations		(4,342,815)	(12,754,402)
Loss from discontinuing operations		-	-
Tax expenses of discontinuing Operations		-	-
Loss from discontinuing operations		-	-
Profit/(Loss) for the period		(4,342,815)	(12,754,402)

The accompanying notes are integral part of the financial statements

For P C Surana & Co.

Chartered Accountants

[Reg No. 110631W]

P C Surana

Partner

M No:- 017136

Mumbai, 20.08.2015

For SILVERLINE TECHNOLOGIES LIMITED

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 20.08.2015

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2014

	30/06/2014	30/06/2013
	RUPEES	RUPEES
Cash flows from operating activities		
Net Profit before Tax and before extraordinary item	-4,342,815	(12,754,402)
Adjustments for :		
Depreciation	2,296,029	2,484,558
Preliminary Expenses & Filing fees written off	-	-
Provision for Doubtful Debts	-	15,470,000
Provision for Income Tax	-	-
Dividend Income	-	-
Un-realised Forex Gain	-	-
Increase in Deferred Revenue Expenditure	-364,682	-
Sub Total	-2,411,468	5,200,156
Operating Profit before Working Capital changes		
Working capital changes		
Increase in Sundry Debtors	-5,203,650	(15,686,655)
Increase in advances recoverable in cash or kind or for value to be received	2,764,677	19,861,802
Increase / Decrease in Sundry Creditors	4,865,614	5,601,367
Increase / Decrease in Work in Process	-	-
Increase / Decrease in other current liabilities	-	-
Increase in provisions	-	65,120
Increase in Deferred Tax	-	-
Net Cash from operating activities	15,173	15,041,790
Cash flows from investing activities		
Purchase of Fixed Assets	-	-
Investment Account	-	-
Dividend Income	-	-
Net cash (used in)/surplus from investing activities	15,173	-
Cash flows from financing activities		
Proceeds from issuance of share capital and share premium	-	-
Borrowings (Net)	-40,000	(15,768,203)
Extraordinary Items-Premium on prepayment of foreign currency term loans		
Net cash (used in)/ surplus from financing activities	-24,827	(726,413)
Net increase in Cash & Cash equivalents	-	-
Effect of Unrealised foreign exchange fluctuation gain / (loss)	-	-
Cash & Cash equivalents at the beginning of the year	6,628,680	7,355,092
Cash & Cash equivalents at the end of the year	6,603,853	6,628,680
Increased in Cash Balance	-24,827	(726,413)

For P C Surana & Co.

Chartered Accountants

[Reg No. 110631W]

For SILVERLINE TECHNOLOGIES LIMITED**P C Surana**

Partner

M No:- 017136

Mumbai, 20.08.2015

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 20.08.2015

Notes forming parts of Annual Accounts for the year ended June 30th 2014

NOTES - 1

CORPORATE INFORMATION

SILVERLINE TECHNOLOGIES LIMITED ("SILVERLINE" OR the "Company") is engaged in consulting and Information Technology ("IT") services. It focuses providing business consulting, systems integration application development and product engineering services. The company has development centre at "SEEPZ" Mumbai.

The SEEPZ development center is to deliver its software development services. This facility operate mainly as an export unit. SEEPZ is SEZ and such the regulations as per the Government of India apply, and are required to export substantial part of their software development services. The Company has been historically exporting a significant part of its software development services.

SIGNIFICANT ACCOUNTING POLICIES & BASIS OF ACCOUNTING

The financial statements are prepared on the basis of Historical cost convention in accordance with the Indian generally accepted Principles (GAAP), applicable Accounting Standard issued by the institute of Chartered Accountants of India (ICAI) and the provisions of the Company act 1956.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP require Management to make estimates and assumptions that effects the reported amount of assets and liabilities disclosure of contingent assets & Liabilities at the date of financial Statements and the reported amounts of revenue & Expenses during the reporting periods. Examples of such estimates include estimates of useful life of assets and future obligations under employee retirement benefit plans. Actual results could be differ from those estimates and difference between the actual results and estimates are recognized in period in which the result known/materialized.

REVENUE RECOGNITION

Revenue from software development of fixed price contract is recognized according to the milestones achieved as specified in contracts on the basis of works completion method. With respect to time and materials contracts revenue is recognized proportionately over the period in which services are rendered. Interest is recognized using the time proportion method, based on rates Implicit in the transaction. Dividend income is recognized when the Company's right to receive dividend is established.

FIXED ASSETS, CAPITAL WORKS IN PROGRESS AND DEPRECIATION

Fixed assets are stated at the cost of acquisition including taxes, duties, freight, exchange gains/losses and other incidental expenses including interest related to acquisition and installation. Capital work in progress includes the cost of fixed assets and amount advanced towards capital projects under development.

The Company provides depreciation on straight-line basis at the rates and in the manner prescribed under schedule XIV of the companies Act, 1956.

IMPAIRMENT OF ASSETS

Management evaluates at regular intervals, Using External & Internal source whether there is any impairment of any assets. Impairment Occurs where the Carrying Value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. Any loss on account of Impairment is expensed as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined.

BORROWING COST

Borrowing cost include interest, amortization of ancillary cost incurred. The cost of borrowing are capitalized as a part of the cost of the qualifying assets when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are uncured.

INVESTMENTS

Investments in overseas subsidy companies or others, are stated at cost(inclusive of expenses on acquisition) and classified as long term strategic investment. Provision for diminution in the value is made, if other than temporary.

SHARE ISSUE EXPENSES

Expenses incurred on issue of Shares are adjusted to Security Premium Account.

SOFTWARE DEVELOPMENT EXPENSES

Cost of software that is embedded in the hardware is capitalized purchase of softwares for development is charged to Profit & Loss Account.

Notes forming parts of Annual Accounts for the year ended June 30th 2014

EMPLOYEE BENEFITS

The Company has no outstanding liability towards the employee benefits like gratuity etc. as on date. The company is deducting provident fund from the salary as prescribed under the Act and which is recognized in the balance sheet. The employee benefits of short term nature are recognized as expenses as and when accrued.

TAXATION

Income Tax is computed in accordance with Accounting Standard 22, "Accounting for Taxation on Income" issued by the ICAI. Provision for current income tax and fringe benefit tax is made in accordance with the provisions of Income tax Act, 1961. The difference between taxable income and net profit or loss before tax for the year as per the financial statements, is identified and the tax effect of the deferred tax asset or deferred tax liability is recorded for timing differences, i.e., differences that originate in one accounting period and reversed in another.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

DEFERRED REVENUE EXPENDITURE

Deferred Revenue Expenditure is written equally over a period of five years by debiting the profit and loss account.

EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax (and include post tax effect of any extraordinary items.) The number of shares used in computing basic earnings per share is the weighed average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average shares considered for deriving basic earning per share, and also the weighted average number of equity shares which could have been issued on conversion of all dilative potential equity shares.

SEGMENT REPORTING

The company provides comprehensive range of information technology services comprising software development, system solutions, application software system maintenance software to its customers across the industry. Accordingly, the company has identified IT service as single business segment, which constitutes the primary basis of segmental reporting, set out in financial statements. Secondary segments are reported on the basis of geographical location of the customers.

RELATED PARTY TRANSACTIONS

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial or operating decisions. Parties are considered to be related if they are subject to common control or common significant influence.

PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not provided for in the books but are disclosed by way of notes in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2014

Particulars	As at 30th June, 2014 (Rs.)	As at 30th June, 2013 (Rs.)		
NOTE - 2 SHARE CAPITAL				
Authorised:				
3,00,00,00,00(Previous Year 3,00,00,00,00) Equity Shares of Rs. 10 each	<u>3,000,000,000.00</u>	<u>3,000,000,000.00</u>		
Issued, Subscribed & Paid up:				
5,99,854,88 (Previous Year 5,99,854,88) Equity Shares of Rs. 10 each fully paid-up	<u>599,854,880.00</u>	<u>599,854,880.00</u>		
	<u>599,854,880.00</u>	<u>599,854,880.00</u>		
Reconciliation of Equity Shares outstanding at the beginning and at the end of the year				
Number of Equity Shares outstanding at the beginning of the year	<u>599,854,880.00</u>	599,854,880.00		
Add : Issued by allotment during the year	-	-		
Number of Equity Shares outstanding at the end of the year	<u>599,854,880.00</u>	<u>599,854,880.00</u>		
Details of shareholding more than 5% shares in the Company				
	Nos.	% holding	Nos.	% holding
	Nil	Nil	Nil	Nil
Terms attached to equity shares				
The Company has only one class of equity shares having par value of Rs 10/- share. Each holder of equity share is entitled to one vote per share.				
NOTE 3 - RESERVES AND SURPLUS				
Capital Reserve				
Balance as at the beginning of the year	<u>825,648,245</u>	825,648,245		
Profit and Loss Account				
Balance as at the beginning of the year	<u>30,722,118</u>	43,476,520		
ADD: Net (Loss)/Profit from Profit & Loss Account	<u>(4,342,815)</u>	(12,754,402)		
Net surplus in the Account	<u>26,379,304</u>	30,722,118		
	<u>852,027,549</u>	<u>856,370,363</u>		
NOTE 4 - LONG TERM BORROWINGS				
Payable for more than one Year				
Inter Corporate deposits	<u>99,915,761</u>	99,645,235		
Other unsecured from directors and relatives	<u>1,369,480</u>	1,409,480		
	<u>101,285,241</u>	<u>101,054,715</u>		
a) The loans are secured by first charge on the specific immovable asset of the directors Entity and the personal guarantee of directors.				
b) The loans are repayable on demand (see note 17)				

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2014

Particulars	As at	As at
	30th June, 2014	30th June, 2013
	(Rs.)	(Rs.)

NOTE 5 - OTHER CURRENT LIABILITIES

Employee Contribution towards Provident Fund	479,337	335,058
Unpaid dividend (Kept in separate Bank Accounts)	5,085,306	5,085,306
Other Statutory Dues	549,122	486,277
	<u>6,113,765</u>	<u>5,906,641</u>

*Unpaid dividends are due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956.

NOTE 6 - SHORT TERM PROVISIONS

Taxation account	20,308,474	20,308,474
	<u>20,308,474</u>	<u>20,308,474</u>

NOTE 7 - FIXED ASSETS

Sr. No.	Particulars	Gross assets				Fixed assets Depreciation				As at	As At
		01/07/2013	Addition	Deletion	30/06/2014	01/07/2013	Addition	Deletion	30/06/2014	30/06/2014	30/06/2013
1	Computer Account	9,403,042	-	-	9,403,042	6,011,534	2,107,500	-	8,119,034	1,284,008	3,391,508
2	Electrical fitting	1,884,723	-	-	1,884,723	1,884,723	-	-	1,884,723	-	-
3	Furniture and Fixture	10,033,809	-	-	10,033,809	9,636,360	-	-	9,636,360	397,449	397,449
4	Office Equipment	5,956,685	-	-	5,956,685	5,520,010	188,529	-	5,708,539	248,146	436,675
Total		27,278,259	-	-	27,278,259	23,052,627	2,296,029	-	25,348,656	1,929,603	4,225,632
Previous Year		27,278,259	-	-	27,278,259	20,568,069	2,484,558	-	23,052,627	4,225,632	6,710,190

NOTE 8 - NON CURRENT INVESTMENTS**Investment in the 100% wholly subsidiary****Innovative BPO Solutions Ltd Canada**

millennium Inc. Canada	1,020,000,000	1,020,000,000
	500,000,000	500,000,000
	<u>1,520,000,000.00</u>	<u>1,520,000,000.00</u>

NOTE 9 TRADE RECEIVABLES**Unsecured, Considered Good by the management**

Outstanding for a period exceeding six months	28,383,242	21,080,447
Other Debts	2,620,260	4,719,405
	<u>31,003,502</u>	<u>25,799,852</u>

NOTE 10 - CASH AND CASH EQUIVALENT

Cash on hand	1,385,296	1,523,588
Bank Balances		
In Current Account	133,337	19,871
Bank Balances in Current Account	5,085,220	5,085,220
	<u>6,603,853</u>	<u>6,628,680</u>

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2014

Particulars	As at 30th June, 2014 (Rs.)	As at 30th June, 2013 (Rs.)
NOTE 11 - SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Intercorporate deposits	33,789,564	36,552,241
Income tax and TDs Account	6,306,021	6,306,021
Advance to employees	47,800	49,800
	<u>40,143,385</u>	<u>42,908,062</u>
NOTE 12- Revenue from Operations		
Domestic	-	-
Export	5,203,650	19,060,000
	<u>5,203,650</u>	<u>19,060,000</u>
NOTE 13 - EMPLOYEES BENEFITS EXPENSES		
Salaries and Wages	3,095,988	3,387,793
Contribution to PF, ESIC & Admn Charges	62,040	66,921
Staff Welfare Expenses	72,714	142,474
	<u>3,230,742</u>	<u>3,597,188</u>
NOTE 14 - DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation as per schedule	2,296,029	2,484,558
	<u>2,296,029</u>	<u>2,484,558</u>
NOTE 15 - OTHER EXPENSES		
Rental Expenses	1,113,091	1,113,091
Bank Charges	1,600	5,656
Bad Debts	-	15,470,000
Repairs and maintenance, Computer Peripherals	7,250	34,892
R&T Depository and Compliance charges	2,478,856	3,104,278
Director Remuneration	-	300,000
Electricity Charges	17,139	316,878
Motor car Expenses	-	48,363
Legal and Professional Expenses	4,800	421,056
Printing and Stationery	21,250	23,979
Sales Promotion Expenses	-	95,225
Service Tax	426,931	74,670
Communication Expenses	81,689	159,408
Travelling and Conveyance	1,360	332,030
Audit Fees	162,500	162,500
Miscellaneous expenses	67,910	266,665
	<u>4,384,376</u>	<u>21,928,691</u>

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2014

Particulars	As at 30th June, 2014 (Rs.)	As at 30th June, 2013 (Rs.)
NOTE 15.1 - AUDITORS REMUNERATION		
Statuary Audit fees	100,000	100,000
Taxation Matters	12,500	12,500
Other Services	50,000	50,000
	<u>162,500</u>	<u>162,500</u>

NOTE 16 - Earnings per Equity share**(A) Basic**

(i) Number of Equity Shares at the Beginning of the year	59,985,488	59,985,488
(ii) Number of Equity Shares at the End of the year	59,985,488	59,985,488
(iii) Weighted Average Number of Equity Shares	59,985,488	
Outstanding during the year	59,985,488	59,985,488
(iv) Face value of each Equity Share (Rs.)	10.00	10.00
(v) Profit / (Loss) after tax available for Equity Shareholders	(4,342,815)	(12,754,402)
(vi) Basic Earning per Equity Share (Rs.)[(v)/(iii)]	(0.07)	(0.21)

(B) Diluted

(i) Diluted Potential Equity Shares	0	0
(ii) Diluted Earnings per Equity Share (Rs.)[same as A (vi) above]	(0.07)	(0.21)

NOTE 17 - NON-PROVISION OF INTEREST LIABILITIES

Interest payable on loans taken from Indiabulls Financial Services Ltd. has not been provided in the books of account and payments made during the year to them have been adjusted against Principal amount of the Loan. The profit for the year are overstated to the extent of such non-provision of interest liabilities. As per the explanation of the Management of the Company, the Company is negotiating for the settlement of the loan and interest, if any, will be provided and paid accordingly.

NOTE - 18

Balances of the Unsecured Loans, Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation and reconciliation, if any.

NOTE 19 - EXPENDITURE IN FOREIGN CURRENCY

Software Development Charges	-	3,763,345.00
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NOTE 20- EARNINGS IN FOREIGN CURRENCY

Exports of Softwares	5,203,650	19,060,000.00
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NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2014**NOTE 21 - RELATED PARTIES DISCLOSURES**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

Key Managerial Persons

Mr. Ravi Subramanain	Chairman
Mr. Mohan Subramanain	Wholetime Director
Mr. Dr, Narayan Raman	Director
Mr. Krishnakumar Subramanian	Director

Subsidiary Company

Innovative BPO SolutionsLtd Canada

Millennium care Inc. Canada

Associates

Nextgen Animation Mediaa Ltd.

Transactions during the year with related parties : (Rs. In Lacs)**Nature of Transaction**

With Subsidiary Companies Nil

With Others

	Key Managerial Persons	Associates	Total
Directors Remuneration	0.00	0.00	0.00
	3.00	0.00	3.00
Loans/Advances repaid	0.40	0.00	0.40
	0.91	0.00	0.91
Loans/Advances received (Net)	0.00	0.00	0.00
	10.06	0.00	10.06
Given Advances received back	0.00	30.62	30.62
	0.00	205.29	205.29

Note: Figures in italics are of previous year.

Balances as on 30.06.2014

Loans/Advances received (Net)	13.69	0.00	13.69
Loans / Advances given	0.00	334.90	334.90

Disclosure in Respect of Material Related Party Transaction during the year

Director Remuneration Rs. Nil (Previous Year Rs. 3.00 Lakhs) paid to Mr. Krishnakumar Subramanian

Loans/Advances received includes:-

From Mr. Mohan Subramanain Rs. Nil (Previous year Rs.10.06 lakhs)

Loans/Advances repaid

Mr. Krishnakumar Subramanian Rs. 0.40 lakhs (Previous year Rs.0.91 Lakhs.)

Given Advances received back includes:-

Nextgen Animation Mediaa Ltd. Rs. 30.62 (Previous year Rs.205.29.)

NOTES FORMING PARTS OF ANNUAL ACCOUNTS FOR THE YEAR ENDED JUNE 30TH 2014**NOTE 22 - SEGMENT REPORTING**

Providing of information technology services is the Company's only signal business segment, hence the disclosure of segment wise information as required by Accounting Standard (AS) 17 on "Segment Reporting" is not applicable .

NOTE 23- CONTINGENT LIABILITIES AND COMMITMENTS**Claims against the Company /disputed liabilities not acknowledged as debts:****(As per the representation made by the Management)**

Disputed Income tax liabilities of Rs. 9734.81 lakhs in respect of Assessment years 2001-02; 2002-03; 2003-04 and 2011-12)

The Company has disputed against the same with appropriate authorities and it has not provided for the same in view of it was legally advised.

NOTE - 24

Figures of the previous year have been regrouped/recast or reclassified wherever considered necessary.

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

Chartered Accountants

[Reg No. 110631W]

For SILVERLINE TECHNOLOGIES LIMITED

P C Surana

Partner

M. No.: 017136

Mumbai, 20.08.2015

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 20.08.2015

Sr no	Name of the subsidiary Company	Innovative BPO Solutions Ltd. Canada	Millennium Care Inc., Toronto, Canada
1	Financial year of the subsidiary ended	30/06/2014	30/06/2014
2	Shares of subsidiary Company held on the above date and extent of holding		
	1) Equity shares	100%	100%
	2) Extent of holding(%)	100%	100%
3	Net aggregate amount of profits/ (losses) of subsidiary for the above financial year so far as they concern members of Silverline Technologies Limited		
	1) Dealt with in the accounts of Silverline Technologies Limited	NIL	NIL
	2) Not - dealt with in the accounts of Silverline Technologies Limited	US\$ (1,464,749)	US\$ (85,755)
	Net aggregate amount of profits/ (losses) for previous year of the subsidiary for the above financial year as far as they concern members of Silverline Technologies Limited		
	1) Dealt with in the accounts of Silverline Technologies Limited	Nil	Nil
4	2) Not - dealt with in the accounts of Silverline Technologies Limited	Nil	Nil

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

Chartered Accountants

[Reg No. 110631W]

For SILVERLINE TECHNOLOGIES LIMITED

P C Surana

Partner

M. No.: 017136

Mumbai, 20.08.2015

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 20.08.2015

AUDITORS REPORT TO THE BOARD OF DIRECTORS OF SILVERLINE TECHNOLOGIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

1. We have examined the attached Consolidated Balance Sheet of Silverline Technologies Limited and its only subsidiary as at 30th June 2014 and the consolidated statement of profit and loss for the year ended on that date.
2. These financials are the responsibility of the management of Silverline Technologies Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Generally Accepted Auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material aspects, in accordance with identified financial reporting framework, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis of our opinion.
3. We did not audit the financial statements of the subsidiary whose financial statements have been included in the consolidated financial statement for the period then ended. The Consolidated financial statements have been prepared based on the audited financial statements of the subsidiary. The details of the subsidiary are as under:
 - I. Innovative BPO Solutions Ltd. Canada up to 30th June, 2014
 - II. Millennium Care Inc., Toronto, Canada up to 30th June, 2014
4. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standards (AS) 21, consolidated financial statements issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of the reports / certificates of other Auditors / Directors on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, and
6. Attention is drawn to note no 16 regarding non-provision for impairment of the Intellectual property rights as required under AS- 26.
7. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the qualification in para (6) above give a true and fair view with respect to the following
 - i. The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Silverline Technologies Limited, its subsidiaries as at 30th June 2014.
 - ii. The Consolidated Profit and Loss Account gives a true and fair view of the consolidated result of operations of Silverline Technologies Limited, its subsidiaries for the year ended 30th June 2014.
 - iii. The Consolidated Cash Flow statement gives a true and fair view of the Consolidated Cash flows for the year ended on that date.

For P C Surana & Co.
Chartered Accountants
Registration No. 110631W

P C Surana
Partner

M. No. 017136

Mumbai, 20th August, 2015

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2014
CIN:L99999MH1992PLC066360

PARTICULARS	Notes	30th June, 2014 Amount (Rs.)	30th June, 2013 Amount (Rs.)
I. EQUITY AND LIABILITIES			
1. Share Holders Funds			
(a) Share Capital	2	599,854,880	599,854,880
(b) Reserves and Surplus	3	885,676,762	976,173,200
(c) Money received against Share warrants		-	-
2. Share Application money pending allotment		-	-
3. Non Current Liabilities			
(a) Long Term Borrowings	4	101,285,241	101,325,241
(b) Deferred Tax Liabilities (Net)		188,851	553,533
(c) Long Term Provision - Income Tax			
4. Current Liabilities			
(a) Short Term Borrowings		-	-
(b) Trade Payables		26,106,958	64,511,245
(c) Other Current Liabilities	5	6,113,765	5,906,641
(d) Short term Provisions	6	20,308,474	20,308,474
Total Equity and Liabilities		<u>1,639,534,931</u>	<u>1,768,633,215</u>
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets	7		
(i) Tangible assets		2,191,420	4,917,783
(ii) Intangible assets		-	73,043,164
(iii) Capital Work in Progress		-	-
(b) Non Current Investment			
(c) Long Term Loans and Advances - Deposit		-	-
Goodwill Account		1,478,611,197	1,479,430,640
2. Current Assets			
(a) Work in process		-	-
(b) Trade Receivables	8	58,814,680	75,671,369
(c) Cash and cash equivalents	9	7,417,231	7,596,963
(d) Short Term Loans and Advances	10	92,500,403	127,973,296
Misc. Expenditure [to the extent not written off]		-	-
Total Assets		<u>1,639,534,931</u>	<u>1,768,633,215</u>
Significant Accounting Policies	1		

The accompanying notes are integral part of the financial statements

For P C Surana & Co.

Chartered Accountants

[Reg No. 110631W]

For SILVERLINE TECHNOLOGIES LIMITED

P C Surana

Partner

M No:- 017136

Mumbai, 20.08.2015

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 20.08.2015

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2014
CIN:L99999MH1992PLC066360

Particulars	Notes	30th June, 2014 Amount	30th June, 2013 Amount
Revenue from Operations	11	76,495,294	257,511,102
Other Income	-	2,517,194	4,160,838
Total Revenue (I+II)		79,012,488	261,671,940
Expenses:			
Software development charges		48,872,229	161,671,951
Total Employees Expenses	12	18,612,140	44,477,284
Financial Cost		-	-
Depreciation and Amortisation expenses	13	2,726,364	6,042,924
Other Expenses	14	27,480,381	60,611,493
Total Expenses (IV)		96,830,444	272,803,652
Profit Before Exceptional and Extraordinary items and Tax		(17,817,956)	(11,131,712)
Exceptional Items (See note 1)		66,606,064	-
Profit Before Extraordinary items and Tax		(84,424,020)	(11,131,712)
Extraordinary items		-	-
Profit Before Tax		(84,424,020)	(11,131,712)
Tax Expenses			
(a) Current Tax - Income Tax		-	438,560
(b) Deferred Tax		364,682	(65,120)
(c) Provision of Tax (Earlier Years)		-	-
Profit/(Loss) from the period from continuing operations		(84,059,338)	(11,635,392)
Loss from discontinuing operations		-	-
Tax expenses of discontinuing Operations		-	-
Loss from discontinuing operations		-	-
Profit/(Loss) for the period		(84,059,338)	(11,635,392)

The accompanying notes are integral part of the financial statements

For P C Surana & Co.

Chartered Accountants

[Reg No. 110631W]

For SILVERLINE TECHNOLOGIES LIMITED

P C Surana

Partner

M No:- 017136

Mumbai, 20.08.2015

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 20.08.2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2014

	30/06/2014 Rs.	30/06/2013 Rs.
Cash flows from operating activities		
Net Profit before Tax and before extraordinary item	-84,059,338	-11,635,392
Adjustments for :		-
Depreciation	2,726,364	6,042,924
Preliminary Expenses & Filing fees written off	-	-
Provision for Doubtful Debts	-	15,470,000
Provision for Income Tax	-	-
Dividend Income	-	-
Un-realised Forex Gain	-	-
Goodwill written off - Exceptional Item	66,606,064	-
Sub Total	-14,726,910	9,877,532
Operating Profit before Working Capital changes	0	
Working capital changes		
Increase in Sundry Debtors	16,856,689	(21,379,872)
Increase in advances recoverable in cash or kind or for value to be received	35,472,893	36,769,219
Increase / Decrease in Sundry Creditors	-38,404,287	(15,658,870)
Increase / Decrease in Work in Process	-	-
Increase / Decrease in other current liabilities	0	-
Increase in provisions	207,124	262,476
Increase in Deferred Tax	-364,682	65,120
Net Cash from operating activities	13,767,737	58,073
Cash flows from investing activities		
Purchase of Fixed Assets	0	-
Investment Account	-	-
Dividend Income	-	-
Net cash (used in)/surplus from investing activities	-959,173	9,935,605
Fluctuation in the value if Foreign Exchange/Goodwill	819,443	5,621,833
Cash flows from financing activities		
Proceeds from issuance of share capital and share premium	-	
Borrowings (Net)	-40,000	(15,768,203)
Extraordinary Items-Premium on prepayment of foreign currency term loans		
Net cash (used in)/ surplus from financing activities	-179,732	(210,765)
Net increase in Cash & Cash equivalents	-	
Effect of Unrealised foreign exchange fluctuation gain / (loss)	-	
Cash & Cash equivalents at the beginning of the year	7,596,963	7,807,728
Cash & Cash equivalents at the end of the year	7,417,231	7,596,963

For P C Surana & Co.

Chartered Accountants

[Reg No. 110631W]

P C Surana

Partner

M No:- 017136

Mumbai, 20.08.2015

For SILVERLINE TECHNOLOGIES LIMITED**Ravi Subramanian [DIN 02151804]**

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 20.08.2015

Notes forming parts of Annual Accounts for the year ended June 30th 2014

NOTES - 1

SIGNIFICANT ACCOUNTING POLICIES & BASIS OF ACCOUNTING

The financial statements are prepared on the basis of Historical cost convention in accordance with the Indian generally accepted Principles (GAAP), applicable Accounting Standard issued by the institute of Chartered Accountants of India (ICAI) and the provisions of the Company act 1956.

CONSOLIDATION

The accounting Consolidation financial statement comprise the accounts of Silverline Technologies Limited and its subsidiaries Innovative BPO Services Inc. Canada and Millennium Care Inc. Canada. all the subsidiaries are owned 100% by silverline Technologies Limited.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP require Management to make estimates and assumptions that effects the reported amount of assets and liabilities disclosure of contingent assets & Liabilities at the date of financials Statements and the reported amounts of revenue & Expenses during the reporting periods. Examples of such estimates include estimates of useful life of assets and future obligations under employee retirement benefit plans. Actual results could be differ from those estimates and difference between the actual results and estimates are recognized in period in which the result known/materialized.

REVENUE RECOGNITION

Revenue from software development of fixed price contract is recognized according to the milestones achieved as specified in contracts on the basis of works completion method. With respect to time and materials contracts revenue is recognized proportionately over the period in which services are rendered. Interest is recognized using the time proportion method, based on rates Implicit in the transaction. Dividend income is recognized when the Company's right to receive dividend is established.

FIXED ASSETS, CAPITAL WORKS IN PROGRESS AND DEPRECIATION

Fixed assets are stated at the cost of acquisition including taxes, duties, freight, exchange gains/losses and other incidental expenses including interest related to acquisition and installation. Capital work in progress includes the cost of fixed assets and amount advanced towards capital projects under development.

The Company provides depreciation on straight-line basis at the rates and in the manner prescribed under schedule XIV of the companies Act, 1956.

IMPAIRMENT OF ASSETS

Management evaluates at regular intervals, Using External & Internal source whether there is any impairment of any assets. Impairment Occurs where the Carrying Value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. Any loss on account of Impairment is expensed as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined.

BORROWING COST

Borrowing cost include interest, amortization of ancillary cost incurred. The cost of borrowing are capitalized as a part of the cost of the qualifying assets when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are uncured.

SOFTWARE DEVELOPMENT EXPENSES

Cost of software that is embedded in the hardware is capitalized purchase of softwares for development is charged to Profit & Loss Account.

EMPLOYEE BENEFITS

The Company has no outstanding liability towards the employee benefits like gratuity etc. as on date. The company is deducting provident fund from the salary as prescribed under the Act and which is recognized in the balance sheet. The employee benefits of short term nature are recognized as expenses as and when accrued.

TAXATION

The provision for current taxation is computed in accordance with the relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

Notes forming parts of Annual Accounts for the year ended June 30th 2014

CONVERSION OR TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in foreign currency are accounted at the average rate prevailing during the period of the accounting year. Current assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date.

In respect of foreign current liabilities and current assets, translations are at the closing exchange rate. Items are translated at the average exchange rate. Fixed Assets, investment and depreciation thereon are translated at the rates prevailing at the time of their acquisition.

GOODWILL

Goodwill acquired in a business combination and determined to have an indefinite useful life are not amortized, but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. For Goodwill, to the extent the carrying amount of a reporting unit exceeds the fair value of a reporting unit, the company would be required to perform the impairment test, as this is an indication that the reporting unit goodwill may be impaired

EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax (and include post tax effect of any extraordinary items.) The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

SEGMENT REPORTING

The company provides comprehensive range of information technology services comprising software development, system solutions, application software system maintenance software to its customers across the industry. Accordingly, the company has identified IT service as single business segment, which constitutes the primary basis of segmental reporting, set out in financial statements. Secondary segments are reported on the basis of geographical location of the customers.

RELATED PARTY TRANSACTIONS

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial or operating decisions. Parties are considered to be related if they are subject to common control or common significant influence.

PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not provided for in the books but are disclosed by way of notes in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2014

Particulars	As at 30th June, 2014 (Rs.)	As at 30th June, 2013 (Rs.)
NOTE - 2 SHARE CAPITAL		
Authorised and Nominal		
3,00,00,00,00(Previous Year 3,00,00,00,00) Equity Shares of Rs. 10 each	<u>3,000,000,000</u>	<u>3,000,000,000</u>
Issued, Subscribed & Paid up		
5,99,854,88 (Previous Year 5,99,854,88) Equity Shares of Rs. 10 each	<u>599,854,880</u>	<u>599,854,880</u>
Total	<u>599,854,880</u>	<u>599,854,880</u>
Reconciliation of Equity Shares outstanding at the beginning and at the end of the year		
Equity Shares outstanding at the beginning of the year	599,854,880	599,854,880
Add : Issued by allotment of Share Application Money	<u>0</u>	<u>0</u>
At the end of the year	<u>599,854,880</u>	<u>599,854,880</u>
Terms attached to equity shares		
The Company has only one class of equity shares having par value of Rs 10/- share. Each holder of equity share is entitled to one vote per share.		
Details of shareholding more than 5% shares in the company	Nil	Nil
NOTE 3 - RESERVES AND SURPLUS		
Capital Reserve		
Balance as at the beginning of the year	825,648,245	825,648,245
Add / (Less) - Adjustment	<u>0</u>	<u>0</u>
Profit and Loss Account		
Balance as at the beginning of the year	144,087,855	155,723,247
ADD: Net (Loss)/Profit from Profit & Loss Account	<u>(84,059,338)</u>	<u>(11,635,392)</u>
Net surplus in the Account	<u>60,028,517</u>	<u>144,087,855</u>
Foreign Exchange Fluctuation Reserve	<u>-</u>	<u>6,437,100</u>
Total	<u>885,676,762</u>	<u>976,173,200</u>
NOTE 4 - LONG TERM BORROWINGS		
Inter Corporate deposits	99,915,761	99,915,761
Other unsecured from directors and relatives	<u>1,369,480</u>	<u>1,409,480</u>
Total	<u>101,285,241</u>	<u>101,325,241</u>
The loans are secured by first charge on the specific immovable asset of the directors Entity and the personal guarantee of directors.		
The loans are repayable on demand (see note 16)		

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2014

Particulars	As at 30th June, 2014 (Rs.)	As at 30th June, 2013 (Rs.)
NOTE 5 - OTHER CURRENT LIABILITIES		
Employee Contribution towards Provident Fund	479,337	335,058
Unpaid dividend	5,085,306	5,085,306
Other Statutory Dues	549,122	486,277
Total	6,113,765	5,906,641
NOTE 6 - SHORT TERM PROVISIONS		
Taxation account	20,308,474	20,308,474
Total	20,308,474	20,308,474

NOTE 7 - FIXED ASSETS

Sr. No.	Particulars	Gross assets				Fixed assets Depreciation				As at	As At
		01/07/2012	Addition	Deletion	30/06/2013	01/07/2012	Addition	Deletion	30/06/2013	30/06/2013	30/06/2012
1	Computer Account	216,126,576	-	-	216,126,576	211,816,206	2,438,802	-	214,255,008	1,871,568	4,310,370
2	Electrical fitting	1,884,723	-	-	1,884,723	1,884,723	-	-	1,884,723	-	-
3	Furniture and Fixture	28,488,771	-	-	28,488,771	28,270,542	93,823	-	28,364,365	124,406	218,229
4	Office Equipment	7,583,541	-	-	7,583,541	7,194,356	193,739	-	7,388,095	195,446	389,185
5	Goodwill	73,043,164	-	(73,043,164)	-	-	-	-	-	-	73,043,164
Total		327,126,775	-	(73,043,164)	254,083,611	249,165,827	2,726,364	-	251,892,191	2,191,420	4,917,784
Previous Year		327,126,775	-	-	327,126,775	243,122,903	6,042,924	-	249,165,827	77,960,948	10,960,707

NOTE 8 TRADE RECEIVABLES**Unsecured, Considered Good by the management**

Outstanding for a period exceeding six months	28,383,242	52,315,474
Other Debts	30,431,438	23,355,895
Total	58,814,680	75,671,369

NOTE 9 - CASH AND CASH EQUIVALENT

Cash and bank balances	7,417,231	7,596,963
	7,417,231	7,596,963

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2014

Particulars	As at 30th June, 2014 (Rs.)	As at 30th June, 2013 (Rs.)
NOTE 10 - SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Loans and advances		
Advances recoverable in cash or in kind or for value to be received	86,146,582	121,617,475
Income tax and TDs Account	6,306,021	6,306,021
Advance to employees	47,800	49,800
Other assets		
Total	92,500,403	127,973,296
NOTE 11- Revenue Account		
Domestic	-	-
Export	147,786,938	257,511,102
Total	147,786,938	257,511,102
NOTE 12 - EMPLOYEES EXPENSES		
Salaries and Wages	18,477,386	44,267,889
Contribution to PF, ESIC & Admin Charges	62,040	66,921
Staff Welfare Expenses	72,714	142,474
Total	18,612,140	44,477,284
NOTE 13 - DEPRECIATION AND AMORTISATION COST		
Depreciation as per schedule	2,726,364	6,042,924
Total	2,726,364	6,042,924
NOTE 14 - OTHER EXPENSES		
Rental Expenses	7,241,209	9,735,729
Bank Charges	941,021	2,476,942
Bad Debts	-	15,470,000
Repairs and maintenance, Computer Peripherals	7,250	34,892
R&T Depository and Compliance charges	2,478,856	3,104,278
Director Remuneration	-	300,000
Electricity Charges	17,139	316,878
Motor car Expenses	-	48,363
Legal and Professional Expenses	495,840	1,383,695
Printing and Stationery	21,250	23,979
Sales Promotion Expenses	-	95,225
Service Tax	426,931	74,670
Communication Expenses	7,066,487	16,033,910
Travelling and Conveyance	3,985,536	3,890,396
Audit Fees	162,500	162,500
Miscellaneous expenses	4,162,999	6,492,518
Selling and Distribution	473,363	967,518
Total	27,480,381	60,611,493

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2014

Particulars	As at 30th June, 2014 (Rs.)	As at 30th June, 2013 (Rs.)
NOTE 14.1 - AUDITORS REMUNERATION		
Statuary Audit fees	100,000	100,000
Taxation Matters	12,500	12,500
Other Services	50,000	50,000
	<u>162,500</u>	<u>162,500</u>

NOTE 15 - Earnings per Equity share**(A) Basic**

(i) Number of Equity Shares at the Beginning of the year	59,985,488	59,985,488
(ii) Number of Equity Shares at the End of the year	59,985,488	59,985,488
(iii) Weighted Average Number of Equity Shares	59,985,488	
Outstanding during the year	59,985,488	59,985,488
(iv) Face value of each Equity Share (Rs.)	10.00	10.00
(v) Profit / (Loss) after tax available for Equity Shareholders	(84,059,338)	(11,635,392)
(vi) Basic Earning per Equity Share (Rs.)[(v)/(iii)]	(1.40)	(0.19)

(B) Diluted

(i) Diluted Potential Equity Shares	0	0
(ii) Diluted Earnings per Equity Share (Rs.)[same as (vi) above]	(1.40)	(0.19)

NOTE 16 - NON-PROVISION OF INTEREST LIABILITIES

Interest payable on loans taken from Indiabulls Financial Services Ltd. has not been provided in the books of account and payments made during the year to them have been adjusted against Principal amount of the Loan. The profit for the year are overstated to the extent of such non-provision of interest liabilities. As per the explanation of the Management of the Company, the Company is negotiating for the settlement of the loan and interest ,if any ,will be provided and paid accordingly.

NOTE - 17

Balances of the Unsecured Loans, Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation and reconciliation, if any.

NOTE 18 - EXPENDITURE IN FOREIGN CURRENCY

Software Development Charges	-	3,763,345.00
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NOTE 19 - EARNINGS IN FOREIGN CURRENCY

Exports of Softwares	-	19,060,000.00
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CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2014

NOTE 20 - RELATED PARTIES DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

Key Managerial Persons

Mr. Ravi Subramanain	Chairman
Mr. Mohan Subramanain	Wholetime Director
Mr. Dr, Narayan Raman	Director
Mr. Krishnakumar Subramanian	Director

Subsidiary Company

Innovative BPO SolutionsLtd Canada

Millenniumcare Inc. Canada

Associates

Nextgen Animation Mediaa Ltd.

Transactions during the year with related parties : (Rs. In Lacs)**Nature of Transaction**

With Subsidiary Companies Nil

With Others

	Key Managerial Persons	Associates	Total
Directors Remuneration	0.00	0.00	0.00
	3.00	0.00	3.00
Loans/Advances repaid	0.40	0.00	0.40
	0.91	0.00	0.91
Loans/Advances received (Net)	0.00	0.00	0.00
	10.06	0.00	10.06
Given Advances received back	0.00	30.62	30.62
	0.00	205.29	205.29

Note: Figures in italics are of previous year.

Balances as on 30.06.2014

Loans/Advances received (Net)	13.69	0.00	13.69
Loans / Advances given	0.00	334.90	334.90

Disclosure in Respect of Material Related Party Transaction during the year

Director Remuneration Rs. Nil (Previous Year Rs. 3.00 Lakhs) paid to Mr. Krishnakumar Subramanian

Loans/Advances received includes:-

From Mr. Mohan Subramanain Rs. Nil (Previous year Rs.10.06 lakhs)

Loans/Advances repaid

Mr. Krishnakumar Subramanian Rs. 0.40 lakhs (Previous year Rs.0.91 Lakhs.)

Given Advances received back includes:-

Nextgen Animation Mediaa Ltd. Rs. 30.62 (Previous year Rs.205.29.)

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2014

NOTE 21 - SEGMENT REPORTING

Providing of information technology services is the Company's only signal business segment, hence the disclosure of segment wise information as required by Accounting Standard (AS) 17 on "Segment Reporting" is not applicable .

NOTE 22- CONTINGENT LIABILITIES AND COMMITMENTS**Claims against the Company /disputed liabilities not acknowledged as debts:****(As per the representation made by the Management)**

Disputed Income tax liabilities of Rs. 9734.81 lakhs in respect of Assessment years 2001-02; 2002-03; 2003-04 and 2011-12)

The Company has disputed against the same with appropriate authorities and it has not provided for the same in view of it was legally advised.

NOTE - 23

Figures of the previous year have been regrouped/recast or reclassified wherever considered necessary.

The accompanying notes are intergral part of the financial statements

As per our report of even date attached

For P C Surana & Co.

Chartered Accountants

[Reg No. 110631W]

For SILVERLINE TECHNOLOGIES LIMITED

P C Surana

Partner

M. No.: 017136

Mumbai, 20.08.2015

Ravi Subramanian [DIN 02151804]

Chairman

Mohan Subramanian [DIN 01555249]

Wholetime Director

Mumbai, 20.08.2015

SILVERLINE TECHNOLOGIES LIMITED

Registered Office: No. 121, SDF IV, SEEPZ, Andheri (East), Mumbai-400 096.

ATTENDANCE SLIP

Names of the Members: _____

Folio No. _____

Client ID No.: _____

DP ID No.: _____

No. of shares held: _____

Name of Proxy : _____

Members/ Proxy's Signature: _____

(To be signed and handed over at the entrance of the meeting hall)

I hereby record and confirm my presence at the 22nd Annual General Meeting of the Company held at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071. on Wednesday 23rd September, 2015 at 3:30 PM.

- NOTES:
1. Shareholder/proxy holder wishing to attend the meeting must bring the Attendance slip to the meeting and hand it over at the entrance duly signed.
 2. Shareholder/proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

SILVERLINE TECHNOLOGIES LIMITED

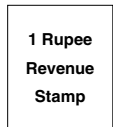
Registered Office: No. 121, SDF IV, SEEPZ, Andheri (East), Mumbai-400 096.

PROXY FORM

I/We _____ of _____ in the district of _____ being a member/ members of the above named Company, hereby appoint _____ of _____ or failing him _____ of _____ in the district of _____ as my/

our Proxy to vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company held on Wednesday, 23rd September, 2015 at 3:30 PM. at Alemu Hall, Opposite Ahobila Mutt Temple, Near Diamond Garden, Chembur, Mumbai-400071 and at any adjournment thereof.

Signed this _____ day of _____ 2015



Signature

Notes:

1. The Proxy form duly completed should be deposited at the Registered office of the Company not less than 48 Hours before the time fixed for the meeting.
2. The proxy need not be a member of the Company.
3. All alterations made in the form of Proxy should be initialed.
4. In case of multiple proxies, proxy later in time shall be accepted.

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BOOK - POST

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(Unit: Silverline Technologies Limited)

C-13, Kantilal Maganlal Industrial Estate,
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