

22nd Annual Report 2012-13



Cura Technologies Limited

Plot No. 12, Software Units Layout, Cyberabad, Hyderabad-500081

CURA TECHNOLOGIES LIMITED

BOARD OF DIRECTORS

Shri. BALA REDDY GOPU	-	CHAIRMAN & MANAGING DIRECTOR
Shri .VENKATESWARA RAO GUDIPUDI	-	EXECUTIVE DIRECTOR
Smt. VELANGINI MARY GOPU	-	DIRECTOR
Smt. LALITHA GUDIMETLA	-	DIRECTOR
Shri. SHYAM SUNDER REDDY VANGALA	-	DIRECTOR
Shri. VENKATA REDDY NALABOLU	-	DIRECTOR
Shri. AVULA VENKATA NARAYANA REDDY	-	DIRECTOR
Smt. JYOTHI BUNG	-	COMPANY SECRETARY

REGISTERED OFFICE

Plot No. 12, Software Units Layout,
Cyberabad, Hyderabad – 500 081
Telephone: 040- 23111793
Fax: 040 - 23100385
www.curatechnologies.co.in

AUDITORS

RAMBABU & CO.
Chartered Accountants
Pancom Chambers, 6-3-1090/1/A,
Raj Bhavan Road, Hyderabad – 500 082

BANKERS

Axis Bank Limited
State Bank of India
Andhra Bank
Yes Bank

SHARE TRANSFER AGENTS

**Venture Capital and Corporate
Investments Private Limited**
12-10-167, Bharatnagar
Hyderabad – 500 018

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of the Company will be held on **Monday, 30th SEPTEMBER, 2013** at **10.00 AM** at the Registered office of the Company at 5th Floor, Conference Hall, Plot No.12, Software Units Layout, Cyberabad, Hyderabad – 500 081 to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended as on that date along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shyam Sunder Reddy Vangala, who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Mr. Venkata Reddy Nalabolu, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

"RESOLVED THAT M/s. RAMBABU & CO., Chartered Accountants, Hyderabad (ICAI Reg. No. 002976S), who retire at the conclusion of this Annual General Meeting, be and are hereby appointed as statutory auditors of the company till the conclusion of the next Annual General Meeting at a remuneration as may be fixed by the Board of Directors on the recommendation of the Audit Committee."

SPECIAL BUSINESS:**5. AUTHORISATION TO DIVEST THE SHARES OF SUBSIDIARY COMPANY:**

To consider and if thought fit, pass with or without modifications the following resolution as **ORDINARY RESOLUTION:**

"RESOLVED THAT Pursuant to provisions of Companies Act, 1956, Foreign Exchange Management Act, 2000 and subject to approval of Reserve Bank of India, SEBI, Stock Exchange, if any, consent of the members of the company be and is hereby accorded for divestment of holding of the company in M/s. CURA Global GRC Solutions Pte Ltd, Singapore, a Wholly Owned subsidiary of the Company at such consideration as may be negotiated."

"FURTHER RESOLVED THAT Board of Directors of the company be and are hereby authorized to divest the holding of the company on such terms and conditions as may be deem fit in the interest of the company and to do all such acts and deeds as may required in connection with divestment."

BY ORDER OF THE BOARD
For **CURA TECHNOLOGIES
LIMITED**

Place: Hyderabad
Date: 02.09.2013

Sd/-
G. BALA REDDY
Chairman & Managing Director

NOTES:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- B. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- C. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business in Item No. 5 is annexed hereto.
- D. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday 26th September, 2013** to **Monday, 30th September, 2013** (inclusive of both days).
- E. The relevant details as required by Clause 49 of the Listing Agreements entered with the Stock Exchange, of persons seeking appointment/re-appointment as Directors under Item Nos. 2 and 3 above are given in Report on Corporate Governance.
- F. Shareholders desirous of obtaining any information concerning the accounts and operations of the company are requested to send their queries to the registered office of the company at least seven days before the date of the AGM, so that the information requested may be made available.
- G. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting. Copies of the Annual Reports will not be provided at the meeting.
- H. Members are requested to notify any change in their addresses to the Company's Share and Depository Transfer Agents.
- I. Members are requested to convert their holdings into De-mat. The Company's ID with CDSL and NSDL is **INE117B01012**. The Company's Share and Depository Transfer Agents are M/s. Venture Capital and Corporate Investment Private Limited.
- J. *Pursuant to circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively issued by the Ministry of Corporate Affairs, "Green Initiative in Corporate Governance" has been undertaken by MCA, We hereinafter propose to send documents like Notices, Annual Reports, Postal Ballot papers and other communication to you through e-mail to be provided by you, Hence members are requested to support this green initiative by registering/ updating their e-mail addresses by submitting the forms given at the end of the report.*

EXPLANATORY STATEMENT*(Pursuant to Section 173(2) of the Companies Act, 1956)*

Your Company has availed term loan from Andhra bank and Bank of India to finance operations of M/s. Cura Global GRC Solutions Pte Ltd, Singapore, wholly owned subsidiary of the company, having operations in Singapore through its subsidiaries. Due to uncertain global market, performance of these subsidiaries since last 3 years is not as expected and added to this consistent rise in interest rates has increased borrowing cost of the company very high which is directly affecting bottom line. Board of directors considering above factors propose to hive off these subsidiaries either individually or as whole and utilise sale proceeds to repay loans which will reduce the interest burden and will help to improve bottom line of the company.

Hence your board of directors recommends this resolution for your approval

None of the directors are interested in this resolution

BY ORDER OF THE BOARD
For CURA TECHNOLOGIES LIMITED

Place: Hyderabad
Date: 02.09.2013

Sd/-
G. BALA REDDY
Chairman & Managing Director

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Twenty Second Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

REVIEW OF PERFORMANCE:

The Highlights of the financial results is as below

(Standalone, Amount in ₹ Lakhs)

Particulars	Current Year 2012-13	Previous Year 2011-12
Income		
Software & Technical Services	529.03	948.60
Lease/Rental Income	251.19	329.12
Other Income	25.05	10.69
Total Income	805.27	1288.41
Total Expenditure	876.85	1452.17
Profit/(loss) before tax	(71.59)	(163.76)
Provision for Tax	(9.12)	(23.01)
Net Profit/(Loss) after Tax	(62.46)	(140.74)
EPS- Basic	(0.65)	(1.47)
EPS – Diluted	(0.65)	(1.47)

Global Operations:

Your Company has recorded a consolidated income (as per Indian GAAP) of ₹ 4179.16 Lakhs for the Financial Year under review and profit of ₹ 12.06 Lakhs.

DIVIDENDS:

No dividend has been recommended by directors for the financial year 2012-13.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules 1975 during the year under review.

DIRECTORS:

Mr. Shyam Sunder Reddy Vangala & Mr. Venkata Reddy Nalabolu Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Board recommends their re-appointment.

PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are to be furnished U/s 217 (2A) of the Companies Act, 1956 read with Companies Act (Particulars of employees) Rules 1988, as the remuneration of none of the employees has crossed the limits specified therein.

EMPLOYEES STOCK OPTION PLAN

Your Company has One Plan in operation, namely, ESOP 2008 Plan. The Company has granted options to its employees under this scheme. As required by clause 12 of SEBI (Employee stock option scheme & employee stock purchase scheme) Guidelines, 1999, the particulars of the stock option granted & other disclosures as on 31.03.2013 are furnished as Annexure - I

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors of your Company hereby confirm that:

- i. In the preparation of Annual Accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2013 and of the profit and loss of the Company for that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis.

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

Information in accordance with clause (e) of Sub-section (1) of Section 217 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and form part of the Directors Report for the period ended 31st March, 2013 is follows:

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

	2012-13	2011-12
Foreign Exchange earnings	₹ 66.38	₹ 8.24
Foreign Exchange outgo	₹ 305.30	₹ 401.35

LISTING AT STOCK EXCHANGE:

The Equity Shares of the Company continue to be listed on Bombay Stock Exchange Limited & National Stock Exchange of India Limited. Annual listing fees have been paid to these Exchanges for the year 2013-14.

SUBSIDIARY COMPANIES:

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

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of the subsidiaries to the annual report. The Ministry of Corporate Affairs, Government of India vide its circular No. 2/2011 dated 8th February 2011 has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in their annual report. Accordingly, the annual report 2012-13 does not contain the financial statements of the subsidiaries. The audited annual accounts and related information of the following subsidiaries, where applicable, will be made available for inspection during business hours at our registered office in Hyderabad, India.

The Company has 6 subsidiaries (including step down subsidiaries) as on 31st March 2013.

CURA Global GRC Solutions Pte Ltd, Singapore
CURA Risk Management Software (PTY) Limited, South Africa
CURA Software Solutions UK Limited, UK
CURA Software Solutions Company, USA
CURA Risk Management Software (PTY) Limited, Australia
Softpro Technologies Private Limited

AUDITORS:

M/s. RAMBABU & CO., Chartered Accountants, Hyderabad as statutory Auditors of the Company retire at the ensuing annual general meeting and being eligible offer themselves for re-appointment.

Further Company is in receipt of confirmation from M/s. Rambabu & Co, Chartered Accountants that in the event of their re-appointment as statutory auditor at the ensuing Annual General Meeting, such appointment will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

Board recommends their re-appointment.

CORPORATE GOVERNANCE:

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

ACKNOWLEDGEMENTS:

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

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

BY ORDER OF THE BOARD
For CURA TECHNOLOGIES LIMITED

Place: Hyderabad

Date: 02.09.2013

Sd/-
G. BALA REDDY
Chairman & Managing Director

Annexure - I

S. No.	Description	ESOP Scheme 2008
1	Options Granted	100,000 options of Rs.10 each
2	Pricing Formula	The exercise price for conversion of each stock option into one equity share shall be price. This would be at a discount of 80 % to 95 % (at the discretion of the compensation committee) of the closing market price on the date of the grant. The market price will be the rate at which the share is traded in the stock exchange which recorded the highest trading volume.
3	Options Vested	70,000
4	Options Exercised	70,000
5	Total Number of shares arising as a results of exercise of options	70,000
6	Options Lapsed	NIL
7	Variation of terms of options	NIL
8	Money realized by exercise of options	29,40,000
9	Total Number of options in force as on March 31, 2013	35000
10	Employee wise details of options granted to i. Senior Managerial Personnel	Enclosure – 1
	ii. Any other employee who received a grant in any year of options amounting to 5% or more of options granted during the year	NIL
	iii. Identified employees who were granted options, during any one year, equal to or exceeding 1 per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NIL
11	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) 20 'EPS'	(0.65)

Enclosure – 1: Employee wise details of options of Rs.10/- each granted to senior managerial personnel and in force (i.e options outstanding as on the date of Report (number of option of Rs. 10 each):

Sno	Name of the Employee	Designation	ESOP 2008
1	G. Venkateswara Rao	Executive Director	1575
2	V. Shyam Sunder Reddy	Director	1575
3	A.V.N. Reddy	Director	1575
4	M.S. Reddy	Vice President – Delivery	1575

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

S. No.	Name of Subsidiary	Financial year of the Subsidiary company ended on	Holding Company Interest	Net aggregate amount of profit or losses of the subsidiary in so far as not dealt with in the Company's account so far as it concerns the members of the Holding Company	
				Current year	Previous Year
1	<i>Softpro Technologies Private Limited</i>	31 st March, 2013	93.28% (932820 Equity Shares of Rs. 10 each fully paid)	(33,680)	(787)
2	CURA Global GRC Solutions Pte Ltd, Singapore	31 st March, 2013	100% (subsidiary to CURA, India)	6,779,532	(34,646,872)
3	CURA Risk Management Software (PTY) Limited, South Africa	31 st March, 2013	100% (Step down subsidiary to CURA, Singapore)	9,922,000	1,812,547
4	CURA Software Solutions UK Limited, UK	31 st March, 2013	100% (Step down subsidiary to CURA, South Africa)	(1,308,102)	(1,947,333)
5	CURA Software Solutions Company, USA	31 st March, 2013	100% (Step down subsidiary to CURA, South Africa)	1,822,672	(20,609.263)
6	CURA Risk Management Software (PTY) Limited, Australia	31 st March, 2013	100% (Step down subsidiary to CURA, South Africa)	(6,972,464)	(1,446,505)

INFORMATION ON FINANCIALS OF THE SUBSIDIARIES*(Pursuant to circular no. 2/2011 dated 08th February, 2012 issued by Ministry of Corporate Affairs)*

S. No	Name	Capital	Reserves	Other Liabilities	Total Liabilities	Fixed Assets	Total Assets	Investments except (investments in the subsidiaries)	Turnover	Profit before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Softpro Technologies Pvt Limited - Hyderabad, India	10,000,000	175,072	438,624	10,613,696	NIL	10,613,696	NIL	NIL	(33,680)	NIL	(33,680)	NIL
2	Cura Global GRC Solutions Pte Limited - Singapore	141,219,713	(120,135,998)	835,888,533	863,701,207	128,511,231	863,701,207	NIL	73,860,777	6,779,532	NIL	6,779,532	NIL
3	Cura Risk Management Software (Pty) Ltd - South Africa	96,987,891	135,423,202	96,871,373	329,282,465	2,861,760	329,282,465	NIL	154,481,734	9,922,000	NIL	9,922,000	NIL
4	Cura Software Solutions UK Limited - UK	8,290	(18,594,821)	22,645,276	4,058,744	4,559	4,058,744	NIL	32,876,181	(1,308,102)	NIL	(1,308,102)	NIL
5	Cura Software Solutions Company - USA	5,185	(69,222,090)	81,402,977	12,186,072	103,229	12,186,072	NIL	25,855,821	1,822,672	NIL	1,822,672	NIL
6	Cura Risk Management Software (Pty) Ltd - Australia	5,385	(27,377,113)	94,405,455	67,034,007	1,327,133	67,034,007	NIL	190,019,720	(6,972,464)	NIL	(6,972,464)	NIL

ANNEXURE – II**MANAGEMENT DISCUSSION AND ANALYSIS**

India's economic growth rate in 2012-13 pegged lowest in a decade, is estimated to be sharply lower at 5%, lowest in a decade, on account of poor performance of manufacturing, agriculture and services sector. This estimate by Central Statistical Organization is drastically lower than what has been projected thus far by the government and RBI.

The Indian economy Growth and, more particularly, industrial growth has slowed. But the decline appears to have bottomed out. Overall economic growth is expected to rise to 6.4 per cent in 2013-14 from 5 per cent in the previous year. Investment and savings rates have come down. But economic growth has declined more steeply than what is warranted by the decline in investment. The main reason for this is that while capital assets have been formed, counterpart output has not flowed into the economy. Capital accumulated in projects is not yielding commensurate output, as the implementation of projects has slowed. (Source: PMEAC, Review of Economy 2012-13)

INDUSTRY STRUCTURE AND DEVELOPMENTS

Over the past two decades, India has risen to become the leading destination for global sourcing of IT, BPO and research and development services. Established Indian IT services companies have a proven track record for providing business and technology solutions, offering a large, high quality and English-speaking talent pool, and a friendly regulatory environment. These factors, coupled with strong existing client relationships have facilitated India's emergence as a global outsourcing hub

Governance Risk and Compliance (GRC) Industry Trends

The GRC industry is in very aggressive phase of market consolidation and entry of large IT product players. All established ERP vendors are actively diversifying to address the GRC opportunities either through their own product expansion or through acquisition of established small and medium players in the market.

The billion dollar market opportunities being projected by independent analysts firms like Gartner, Forrester, AMR Research, Aberdeen among others seems a lucrative business area that every player worth name would like to be in.

CURA being one of the foremost and first niche players in the GRC market and supported through sustained patronization of Fortune 100 companies over last many years, is positioned well to compete and perform on par with top few in the market space.

OUTLOOK OF THE COMPANY:

CURA Technologies Limited (CURA' or 'the Company') is a global Enterprise Class Software Application provider for organizations to efficiently manage their Governance, Risk and Compliance framework through an automated process. CURA has direct offices in 6 major Countries and about 200+ Customers in scores of Countries across globe.

Since acquisition of Cura Global GRC Solutions Pte Ltd., 2009-10 the promoters have invested substantially in development of R&D and have successfully delivered a complete module (Internal Audit) and couple of big new features (RBN - Rules based Notifications and Work Flow) to its existing Customers. The promoters also have supported the company with substantial investments in restructuring of the transition of its R&D process completely in Hyderabad offices in order to provide the best in class support services to its clients at a competitive price.

During the financial year ending March 31, 2013 the promoters have attempted in major cost savings initiatives to ensure a self-sustainable operational set-up. The promoter's efforts have paid off and the company has started to gain from this move at a consolidated level. The initiatives taken in previous year will start generating an appreciative growth in its operational cash-flows in the current financial year. This company hopes to build a Product Roadmap that can help paradigm shift in its technology base and enable it to be a State of Art & highly scalable solution to the advantage of Customers and in that accelerated business growth of the company.

The company's one year long efforts in India to develop business has paid off. CURA has been able to successfully bring in Indusind Bank, a major private sector bank as their first customer in India. Further the company is also expanding in the regions like Middle East and Far East in order to garner the GRC business in these untapped markets. The company is also signing long term business partnership agreements with Deloitte & Wipro for its business development initiatives in Asia Pacific markets including India.

Company's Plans

The Company is planning to execute all necessary efforts to ensure that it comes out of the impact from global economic meltdown of last couple of years. The current sales budget has been targeted at 20% more than last year and as of date the performance is looking healthy and closer to the target. While the major concentration will be on the advanced GRC markets like US and Europe, company is also looking to grab the opportunity in Middle East and Asia Pacific. With additional business development and marketing efforts, the company shall endeavor to consolidate its brand and leadership position in GRC market that is growing on sustained basis.

In addition to that the Company is also expanding its services portfolio around its product triggering revenue growth and substantial Customer engagement. All these are expected to boost the company growth prospects well.

OPPORTUNITIES AND THREATS:

Indian IT market to grow to \$45 b in 2014: IDC

International Data Corporation has forecast that the information technology market size in India would grow to \$44.8 billion in 2014 from \$35.1 billion in 2012.

In its report, the India IT Market Overview 2013-14, IDC said the growth will be rapid in emerging Tier-II and Tier-III cities, emerging segments such as upper mid market and emerging verticals such as education and healthcare.

An increase in global technology spending and opportunities created through adoption of technologies such as social media, mobility analytics and cloud computing are expected to spur growth in 2013-14, according to Nasscom. In fiscal 2014, India's information technology and business process management (IT-BPM) industry will add \$12-15 billion incremental revenue, a measure of market share growth that has evolved as the new benchmark for the Indian IT sector. The local IT market is expected to grow at 13-15%, driven by spends by the government and the banking, financial services and insurance (BFSI) sector, Nasscom said on Tuesday.

Transitioning of support and consulting services, new feature introduction like multi language dashboards, mobile applications and Import & Export of data for Audit module are some of the features which company is planning to bring in next quarters. Off shoring of Support and consulting services will over the time impact overall cost and therefore make company's offering

Risk and Concerns

Some of the risks and concerns inherent to technology business which the company may face are:

- a) The technology upgrade plans have to be accelerated to ensure competitive positioning of CURA
- b) Additional investments have to be raised for investing into sales & marketing efforts for leveraging the market opportunities in US and EMEA regions.
- c) It is important to build key strategies around product business and technical architecture & roadmap to meet the constantly changing customer expectations and dynamic business needs.

Internal Control Systems and their Adequacy

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

SEGMENTWISE PERFORMANCE

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

ANNEXURE – III**REPORT ON CORPORATE GOVERNANCE****Corporate Governance**

The Board of Directors of the Company supports the broad principles of corporate governance. Your Company has been practicing Sound Corporate Governance over the years. A report on the compliance of the Corporate Governance code of the Listing Agreement by the Company is furnished below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. At CURA, all Senior Management Employees are guided by a code of conduct, which sets forth Company's policies on important issues, including relationship with our customers, shareholders and Government. Global capital investors feel comfortable in an environment where the bed rocks of Corporate Governance is best protected and practiced and bypasses where Corporate Governance is limited or not followed. Companies stand to gain by adopting systems that bolster Stake holder's trust through transparency, accountability and fairness.

2. BOARD OF DIRECTORS:

The present strength of the Board consists of 8 Directors, Five of them are independent non-executive, and one is promoter Non-executive Director, one is promoter Executive Director and one Executive Director. Your Company has taken all necessary steps to strengthen the Board with Optimum combination of independent and promoter Directors. Board of Directors guides, direct and oversees overall management of the Company and protect interest of shareholders, employees and the society at large. No Director of the Company is a member in more than 10 committees or acts as Chairman of more than 5 committees across all companies, in which he/she is a director.

During the financial year 2012-13, Six (6) Board Meetings were held on the following dates:

14.05.2012	24.05.2012	14.08.2012
27.08.2012	14.11.2012	12.02.2013

Attendance of each Director at the Board meeting and last Annual General Meeting (AGM) and the number of Companies and committees where he is Director / Member (as on the date of Directors Report):

Composition of Board as on 31st March, 2013:

S. No	Director	Category	Attendance at AGM	Attendance in		Other Boards	
				Board Meeting Held	Board Meeting Attended	Directorship	Committees
1.	Mr. G. Bala Reddy	Promoter Executive	Yes	6	5	8	1
2.	Mr. G. Venkateshwara Rao	Executive	Yes	6	6	3	1
3.	Ms. G. Velangini Mary	Promoter and Non-Executive	Yes	6	5	3	-
4.	Ms. G. Lalitha	Non-Executive Independent	No	6	5	-	-
5.	Mr. N. Venkata Reddy	Non-Executive Independent	No	6	4	3	-
6.	Mr. V. Shyam Sunder Reddy	Non-Executive Independent	Yes	6	5	4	-
7.	Mr. A. V. N. Reddy	Non-Executive Independent	No	6	2	5	-

DETAILS OF DIRECTORS PROPOSED FOR APPOINTMENT:

Mr. Shyam Sunder Reddy Vangala, Mr. Venkata Reddy Nalabolu retires by rotation and being eligible, seek re-appointment.

Name of Director	Shyam Sunder Reddy Vangala	Venkata Reddy Nalabolu
Date of Birth	08.08.1966	10.04.1963
Age	47	50
Date of First Appointment	24.04.2008	24.04.2008
Experience in Specific Functional Area	He is a Law Graduate and has very good knowledge in Corporate Laws and Business Administration	He has 18 years of experience in Electrical and Electronics and Software Embedded industry in India and abroad
No. of Shares held in the Company	2925	--
Qualification	B. A., L.L.B.	B.E. (Electricals)

3. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE:

The primary objective of Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency in financial reporting.

Role of Audit Committee:

1. To oversee the Company's financial reporting process and disclosure of its financial information.
2. To recommend the appointment, re-appointment & removal of Statutory & Internal Auditors and fixation of the Audit Fee.
3. To review the Internal Control Systems, the scope of audit including observations of the Auditors, adequacy of the Internal Audit Function, Major accounting policies and practices, compliance with accounting standards and with the stock exchange and legal requirements concerning financial statements and related party transactions, if any.
4. To review the Company's financial and risk management policies and discuss with the internal auditors any significant findings for follow-up thereon.
5. To review the financial statements before submission to the Board of Directors.
6. To ensure that adequate mechanism for prevention & detection of frauds is in place.

► Composition & Qualifications:

Audit Committee comprises of 3 Non-Executive Independent Directors and thus majority of them being Independent Directors. The head of Finance & Accounts, representatives of the Statutory Auditors are the permanent invitees to the Audit Committee.

Name	Designation	Qualification
Ms. G. Lalitha	Chairperson	M.A, M. Phil
Mr. N. Venkata Reddy	Member	B E Electricals
Mr. V. Shyam Sunder Reddy	Member	B. A. L. L. B

None of the members receive, directly or indirectly any consulting, advisory or compensatory fees from the Company other than their remuneration as a Director.

► Meetings and Attendance during the year:

The Audit Committee met Five times during the financial year 2012-2013 on

12.05.2012	13.08.2012	27.08.2012	12.11.2012	12.02.2013
------------	------------	------------	------------	------------

The attendance record of the Audit Committee members is given below:

Members	No. of Meetings held	Attended
Ms. G. Lalitha	5	5
Mr. N. Venkata Reddy	5	3
Mr. V. Shyam Sunder Reddy	5	4

B. REMUNERATION COMMITTEE:**Terms of Reference:**

The terms of reference as per Clause 49 of the Listing Agreement is to determine and review the remuneration, performance, and related bonuses of Directors.

Composition:

Remuneration Committee of the Company consists of following non-executive independent Directors, which is as follows:

Ms. G. Lalitha	Chairperson
Mr. N. Venkata Reddy	Member
Mr. V. Shyam Sunder Reddy	Member

Details of remuneration paid to the Directors:

Presently, the non-executive Directors do not receive any remuneration from the Company.

The aggregate value of salary and perquisites for the year ended 31.03.2013 to Executive Directors are as under:

Name of Director	Salary & Perks
G. Venkateshwara Rao	11,25,000/-

C. SHARE HOLDERS AND INVESTOR GRIEVANCE COMMITTEE:**► Brief description of terms of reference:**

To specifically look into Transfer and Transmission of shares, issuances of duplicate certificates as and when required, with the approval of Board and redress the investors' grievances received by the company. The committee looks after the services of the Registrars and share transfer agents and recommends measures for providing efficient services to investors.

► Composition:

The following Directors consists the above committee:

Ms. G. Lalitha	Chairperson
Mr. N. Venkata Reddy	Member
Mr. V. Shyam Sunder Reddy	Member

OTHERS:**(a) Name and designation of Compliance officer:**

Ms. Jyothi Bung - Company Secretary

(b) Details of Investor complaints received and redressed during the year:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	4	2	2

4 General Body Meetings:

► Location and time where the last three AGMs held:

Year	Location	Date	Time	No of Special Resolutions
2011-12	The Conference Hall, 5 th Floor, Cyberabad, Hyderabad – 500 081.	Friday 28.09.2012	10.00 AM	NIL
2010-11	The Conference Hall, 5 th Floor, Cyberabad, Hyderabad – 500 081.	Friday 30.09.2011	10.00 AM	7
2009-10	Plot No # 12, Software Units Layout, Cyberabad, Hyderabad – 500 081.	Friday 30.09.2010	10.00 AM	2

No Special Resolutions were passed in last Annual General Meeting (AGM)

No Special Resolutions are proposed through postal ballot at the ensuing Annual General Meeting.

5 DISCLOSURES:

CEO and CMD Certification:

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

Related Party Transactions:

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

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

Details of Non Compliance and Penalties:

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

Means of Communication:

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

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

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

Management Discussion and Analysis Report:

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

6 GENERAL SHAREHOLDER INFORMATION:

AGM: The 22nd Annual General Meeting of the Company will be held on **Monday, 30th September, 2013** at 10.00 A.M at Registered Office of the Company **at the Registered office of the Company at 5th Floor, Conference Hall, Plot No # 12, Software Units Layout, Cyberabad, Hyderabad – 500 081.**

Financial Calendar:

First Quarter Results	Last week of July, 2013
Second Quarter Results	Last week of October, 2013
Third Quarter Results	Last week of January, 2014
Audited Financial Results	Last week of May 2014

Book Closure Date: Thursday 26th September, 2013 to Monday, 30th September, 2013 (inclusive of both days)

Dividend Payment Date: N.A.

Listing on Stock Exchanges: The shares of the Company are listed on the following Stock Exchanges:

S. No.	High	Stock Code
1.	Bombay Stock Exchange Limited	532332
2.	National Stock Exchange Limited	CURATECH

Your Company has paid the Annual Listing Fee for the year 2012-13 to Bombay Stock Exchange Limited and National Stock Exchange Limited.

Market Price Data & performance in comparison to BSE Sensex: High/Low during each month in last financial year on the Stock Exchange is as follows:

Month	BSE Limited		NSE	
	High (₹.)	Low (₹.)	High (₹.)	Low (₹.)
April 2012	59.45	47.20	57.75	47.50
May 2012	61.00	43.10	57.55	41.05
June 2012	48.00	35.00	42.95	33.80
July 2012	39.10	33.95	38.00	31.10
August 2012	38.80	31.50	35.70	30.65
September 2012	42.00	30.60	38.00	30.35
October 2012	41.40	29.70	40.65	30.20
November 2012	35.90	28.40	34.20	26.05
December 2012	31.50	23.80	29.90	24.50
January 2013	31.00	21.80	28.85	20.45
February 2013	22.25	16.30	22.00	15.10
March 2013	17.65	12.10	17.45	12.20

Index Comparison



REGISTRAR AND TRANSFER AGENTS:

Venture Capital and Corporate Investments Private Limited

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

Phone: 040 - 23818475

Fax: 040 - 23868024

E-mail: info@vccilindia.com

Share Transfer System:

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

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013:

S. No	Category	No. of Shares	% of Shareholding
1	Indian Promoters	4121592	43.14
3	Mutual Funds & UTI	--	--
4	Banks, Financial Institutions, Insurance Companies(Central/State Govt. Institutions/Non-Govt. Institution)	--	--
5	Foreign Institutional Investors	--	--
6	Private Corporate Bodies	1700729	17.80
7	Indian Public	3634262	38.03
8	NRI's/OCB's (Including Depository Receipts)	98417	1.03
TOTAL		95,55,000	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013

S. No	Category From-To Rs. Rs.	No. of Holders	% of Holders	No. of Shares	% of Shares
1	Upto-5,000	2571	86.48	282557	2.96
2	5,001-10,000	113	3.80	92930	0.97
3	10,001-20,000	79	2.66	120976	1.27
4	20,001-30,000	50	1.68	127681	1.34
5	30,001-40,000	21	0.71	73549	0.77
6	40,001-50,000	20	0.67	93179	0.98
7	50,001-1,00,000	50	1.68	367542	3.85
8	Above-1,00,000	69	2.32	8396586	87.88
TOTAL		2973	100.00	95550000	100.00

Dematerialization of shares and liquidity:

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

The members are requested to dematerialize their physical holding in view of various advantages of holding the shares in dematerialized form.

The details of the dematerialization of the company's shares with NSDL and CDSL and shares held in physical form are as under as on 31.03.2013:

Category	No. of Shares	%
NSDL	8230903	86.14
CDSL	1262849	13.22
PHYSICAL	61248	0.64
TOTAL	95,55,000	100.00

Outstanding GD/AD/Warrants or any Convertible instruments, conversion date and likely impact on equity: Nil

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

The Company has Nil FCWs outstanding as on 31.03.2013

Address for correspondence:

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

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

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

I, hereby certify that the Board Members and senior management personnel of Cura Technologies Limited have affirmed compliance with the Code for the Financial Year 2012-13.

Sd/-
G. BALA REDDY
Chairman & Managing Director

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To
The Members
Cura Technologies Limited

We have examined the compliance of conditions of Corporate Governance by **M/s. Cura Technologies Limited** for the period ended on 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievance is pending for a period of exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

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

For **RAMBABU & CO.,**
Firm Reg No. 002976S
Chartered Accountants

Place: Hyderabad
Date: 02.09.2013

Sd/-
RAVI RAMBABU
Partner
Membership No. 18541

Independent Auditor's Report

To the Members of
CURA TECHNOLOGIES LIMITED.

Report on Financial Statements

We have audited the accompanying financial statements of CURA TECHNOLOGIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
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 purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Hyderabad
Date: 29-05-2013

For RAMBABU & Co.
Chartered Accountants
Firm Reg No: 002976S

Sd/-
Ravi Rambabu
Partner M No. : 018541

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of CURA TECHNOLOGIES LIMITED on the accounts of the company for the year ended 31st March, 2013.

1. In respect of Fixed Assets:
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management 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 verification.
 - (c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its inventories
 - (a) As explained to us, the company does not hold any inventories and, hence, the question of physical verification, procedures followed for verification and discrepancies thereof does not arise.
3. In respect of the 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:
 - a) Company has granted loan of Rs. 47,11,34,266/- to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
 - b) According to the information and explanations given to us, we are of the opinion, the terms and conditions on which loans granted by the company to such parties listed in the register maintained under section 301 of the companies act, 1956 are not, Prima facie, prejudicial to the interest of the company.
 - c) There is no overdue amount in-respect of loan granted to parties listed in the register maintained under section 301 of the Companies Act, 1956, the question of statement on the steps taken for recovery of the Principal, and overdue amount of more than one lakh does not arise.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets, office equipment and for rendering of services. During the course of our audit, based on our procedures applied, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. In respect of contracts or arrangements preferred to in Section 301 of the Companies Act, 1956:
 - (a) 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 into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000/- in respect of each party covered above during the year have been made at prices which appear reasonable as per information available with the Company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 framed there under apply.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We are informed and according to the information and explanations given to us, that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for the activities of the Company.
9. In respect of statutory dues:
- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2013 for a period of more than six months from the date they became payable.
- (b) *According to the information and explanations given to us, there are no dues of income tax, Customs duty, Wealth tax, Excise duty and Cess, which have not been deposited on account of any dispute, except taxes mentioned below, have not been deposited by the company on account of dispute.*

Name of the Statute	Nature of the Dues	Amount Rs.	year to which the amount relates	Forum where dispute is pending
APVAT, 2005	Value Added Tax	9,25,791	2005-06	High Court of A.P.
APVAT, 2005	Value Added Tax	11,88,400	2006-07	High Court of A.P.
APVAT, 2005	Value Added Tax	15,40,143	2007-08	High Court of A.P.

10. The Company has no accumulated losses at the end of the financial year and has not incurred cash loss during the financial year covered by the audit and has incurred cash loss in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institutions, bank and debenture holders.

12. In our opinion and according to the explanations given to us and based on the information available, 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.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in Shares, securities, debentures, mutual funds & other Investments. Accordingly, the provisions of clause 4(xiii) of the companies (Auditor's Report) order, 2003 are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the Company has given corporate guarantee to the Andhra Bank for issuing stand by letter of credit to Bank of India, Singapore for securing loans taken by M/s Cura Global GRC Solutions Pte. Ltd. A wholly owned subsidiary, from Bank of india, to the tune of Rs. 2686.10 Lakhs and further the company has provided security to Andhra Bank by the first Pari-pasu mortgage charge over Land & Buildings situated at Softpro Hights, Software Units Layout, Madhapur, Hyderabad.
16. Based on the information given by the management, we report that the company has not raised any fresh term loans during the year.
17. In our opinion, according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. According to the information and explanations given to us, the Company has not issued debentures during the year covered by our report. Hence, the Company is not required to create or register or modify any security or charge.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Place: Hyderabad

Date: 29-05-2013

For RAMBABU & Co.
Chartered Accountants
Firm Reg No:002976S

Sd/-

Ravi Rambabu
Partner M.No. : 018541

Financial Statements			
Balance Sheet			
Particulars	Note	As at 31 March 2013	As at 31 March 2012
I EQUITY & LIABILITIES			
1 SHARE HOLDERS' FUND			
Share Capital	3	95,550,000	95,550,000
Reserves & Surplus	4	708,497,587	753,822,805
		804,047,587	849,372,805
2 Share Application money pending allotment	5	350,000	350,000
3 NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	6	304,137,879	44,543,481
(b) Deferred Tax Liabilities	7	6,312,666	7,224,699
(c) Other Long Term Liabilities	8	22,132,108	15,242,323
(d) Long Term Provisions	9	752,396	2,296,627
		333,335,049	69,307,130
4 CURRENT LIABILITIES			
(a) Trade Payables	10	36,351,652	41,171,408
(b) Other Current Liabilities	11	44,191,719	63,187,851
		80,543,370	104,359,259
		1,218,276,007	1,023,389,194
II ASSETS			
NON CURRENT ASSETS			
1 (a) Fixed Assets			
Tangible Assets	12	134,466,757	136,148,779
Intangible Assets		78,507,411	6,759,708
Capital Work-in-progress		78,507,411	78,207,558
		212,974,168	221,116,045
(b) Non Current Investments	13	137,162,896	141,826,996
(c) Long Term Loans & Advances	14	498,444,196	359,960,340
		635,607,092	501,787,336
2 CURRENT ASSETS			
(a) Trade Receivables	15	264,861,282	292,802,802
(b) Cash and Cash equivalents	16	1,553,955	1,013,995
(c) Short Terms Loans and Advances	17	103,279,510	6,669,016
		369,694,747	300,485,813
		1,218,276,007	1,023,389,194

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

The accompanying notes are an integral part of financial statements

As per our report of even date attached

for and on behalf of Board

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

RAVI RAMBABU
Partner
Mno: 18541

G. Bala Reddy
Chairman & Managing Director

G.Venkateswara Rao
Executive Director

Jyothi Bung
Company Secretary

Place: Hyderabad
Date: 29 May 2013

Statement of Profit & Loss			
Particulars	Note	for the year ended 31st March 2013	for the year ended 31st March 2012
Revenue from operations	18	52,903,175	94,859,986
Other Income	19	27,623,611	33,981,215
Total Revenue		80,526,786	128,841,201
Expenses			
Changes in Inventories of finished goods work-in progress and stock in trade			-
Employee Benefit Expenses	20	36,137,535	93,977,957
Finance Costs	21	15,202,734	13,675,247
Depreciation & Amortisation expenses	12	7,508,300	8,197,300
Other expenses	22	28,846,876	29,366,266
Total Expenses		87,695,445	145,216,770
PROFIT BEFORE TAX & EXCEPTIONAL ITEMS			
Tax Expenses		(7,168,659)	(16,375,569)
Current Tax		-	-
Deferred Tax	7	(912,033)	(2,301,467)
PROFIT AFTER TAX BEFORE EXCEPTIONAL ITEMS		(6,256,626)	(14,074,102)
Exceptional items			-
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS		(6,256,626)	(14,074,102)
EARNINGS PER EQUITY SHARE			
Equity share of par value Rs.10/- each			
Earnings per share			
Basic - Par value		(0.65)	(1.47)
Diluted - Par value		(0.65)	(1.47)
Number of shares used in computing earning per share			
Basic - Par value		9,555,000	9,543,110
Diluted - Par value		9,555,000	9,578,110

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

The accompanying notes are an integral part of financial statements

As per our report of even date attached

for and on behalf of Board

for RAMBABU&Co

Chartered Accountants

Firm Registration No.: 002976S

RAVI RAMBABU

Partner

Mno: 18541

G. Bala Reddy
Chairman & Managing Director

G.Venkateswara Rao
Executive Director

Jyothi Bung
Company Secretary

Place: Hyderabad

Date: 29 May 2013

Cash Flow Statement		
Particulars	for the year ended 31st March 2013	for the year ended 31st March 2012
Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(7,168,659)	(16,375,569)
<i>Adjustments for:</i>		
Depreciation and amortisation	7,508,300	8,197,300
Profit or (loss) on sale of assets		-
ESOP Expenses	15,472	6,239,290
Foreign exchange loss/ (gain)	6,637,868	(824,226)
Interest received	-	(109,789)
Interest expenses	15,202,734	13,675,247
Operating profit / (loss) before working capital changes	22,195,715	10,802,253
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	-	115,200
Trade receivables	27,941,519	(61,708,096)
Short-term loans and advances	(95,585,494)	1,796,201
long-term loans and advances	62,482,746	(2,654,357)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(4,819,756)	32,873,002
Other current liabilities	(18,290,040)	20,836,846
Long-term provisions	(1,544,231)	(130,750)
	(29,815,254)	(8,871,954)
Cash generated from operations	(7,619,540)	1,930,299
Net income tax (paid) / refunds		-
Net cash flow from / (used in) operating activities (A)	(7,619,540)	1,930,299
Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	450,172	(138,834)
Sale of fixed asset		
Net cash flow from / (used in) investing activities (B)	450,172	(138,834)
Cash flow from financing activities		
Proceeds from long-term borrowings	(5,587,126)	5,587,126
Repayment of long term borrowing	25,391,277	(23,760,961)
Net increase / (decrease) in working capital borrowings	-	403
Interest Income	-	109,789
Interest expenses	(15,202,734)	(13,675,247)
Net cash flow from / (used in) financing activities (C)	4,601,418	(31,738,890)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(2,567,950)	(29,947,425)
Cash and cash equivalents at the beginning of the year	1,013,995	30,961,420
Cash and cash equivalents at the end of the year	(1,553,956)	1,013,995

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

As per our report of even date attached

for **RAMBABU&Co**

Chartered Accountants

Firm Registration No.: 002976S

for and on behalf of Board

RAVI RAMBABU
Partner
Mno: 18541

G.Bala Reddy
Chairman & Managing Director

G.Venkateswara Rao
Executive Director

Jyothi Bung
Company Secretary

Place: Hyderabad
Date: 29 May 2013

Schedules forming part of Balance sheet

Particulars	As at March 31, 2013	As at March 31, 2012
Note 3 : Share Capital		
Authorised Share Capital		
100,00,000 Equity shares of Rs.10 each	100,000,000	100,000,000
	100,000,000	100,000,000
Issued, Subscribed & Paid up Capital	95,550,000	95,550,000
95,55,000 Equity Shares of Rs.10/- each fully paid up (Previous year 95,20,000 Equity Shares of Rs.10/- each fully paid-up)	95,550,000	95,550,000
3.1 Reconciliation of the equity shares outstanding is set out below:		
Equity Shares:		
Number of shares outstanding at the beginning of the year	9,555,000	9,520,000
Share issued during the year:		
on exercise of employee stock options	-	35,000
Number of shares outstanding at the end of the year	9,555,000	9,555,000
3.2 Details of shareholders holding more than 5% shares in the company		
Particulars		No c
SAHASRA INVESTMENTS (P) LTD	3,617,726	3,634,948
Share holding %	37.86	38.04
Note 4 : Reserves & Surplus		
4.1 Capital reserve	1,565,900	1,565,900
4.2 Securities premium		
Opening balance	613,287,556	606,135,306
Add: Additions during the year		7,152,250
Closing balance	613,287,556	613,287,556
4.3 General reserve	32,328,123	32,328,123
4.4 Profit and Loss Statement		
Opening balance	66,505,781	80,579,883
Add: Profit for the year	(6,256,626)	(14,074,102)
Closing balance	60,249,155	66,505,781
4.5 Employee stock options outstanding	-	7,152,250
4.6 Deffered Stock Compensation cost	-	(7,152,250)
4.7 Foreign Currency translation reserve*	1,056,853	40,135,445
	708,487,587	753,822,805
Note 5 : Share Application Money		
Share application money received	350,000	350,000
Note: As at 31 March 2013, the Company has received an amount of 350,000 towards share application money towards 35,000 equity/Preference shares. The share application money was received pursuant to the Employee Stock Option scheme 2008. The Company has sufficient authorised capital to cover the allotment of these shares. Pending allotment of shares, the amounts are maintained in a designated bank account and is not available for use by the Company.		

Particulars	As at March 31, 2013	As at March 31, 2012
Note 6 : Long Term Borrowing		
Secured Loan		
Andhra Bank Term Loan (refer note 6.1)	64,347,632	38,956,355
Andhra Bank Term Loan (refer note 6.2)	268,610,247	-
Unsecured		
Sahasra Investments Pvt. Ltd.	-	5,587,126
	332,957,879	44,543,481
Note 6.1 During the financial year 2009-10, the Company has taken a term loan of 9.38 crore from Andhra Bank, Hyderabad. The said loan is repayable in 60 equitable monthly installments of Rs 15.6 Lakhs each commencing from 20th Nov 2009. The said loan is secured by way of first charge on rent receivables from tenants and further secured by land and buildings of the Company and personal guarantee of the promoter.		
Note 6.2 During the financial year 2009-10, the Company has given a corporate guarantee for an amount of USD 14.24 Mn to Andhra Bank for counter guarantee given by Andhra Bank to Bank of India for term loan sanctioned by Bank of India to Cura Global GRC Solutions Pte Ltd (a 100% subsidiary of the Company). During the year, Andhra Bank has paid an amount of Rs 26,86,10,247 towards its obligation under guarantee given to Bank of India to Cura Global GRC Solutions Pte Ltd, and the Company accounted the same as term loan and adjusted the books of accounts accordingly. The said term loan is secured by the way of first charge on rent receivables from tenants and further by land and buildings of the company.		
Note 7 : Deferred Tax Liabilities		
Opening Deferred tax liability	7,223,947	9,526,166
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(911,281)	(2,302,219)
Net deferred tax liability	6,312,666	7,223,947
Note 8 : Other Long Term Liabilities		
Rental deposits	22,132,108	15,242,323
	22,132,108	15,242,323
Note 9 : Long Term Provision		
Leave Encashment Payable	345,011	1,772,121
Provision for Gratuity	407,385	524,506
	752,396	2,296,627
Note 10 : Trade Payables		
Creditors for Materials	854,405	864,667
Creditors for Services	35,497,247	40,306,741
	36,351,652	41,171,408
Note 11: Other Current Liabilities		
Current maturities of long-term debt, Secured (refer note 6.1 & 6.2)	28,820,000	28,820,000
Creditors for capital goods	385,570	1,091,663
Unpaid dividends	-	553,772
Provision for expenses	2,396,419	11,094
Due to statutory authorities	8,583,706	24,659,056
Provision for tax (net of advance tax Rs.8162148 as 31 March 2012)	-	1,209,671
Other current liabilities	4,006,023	6,842,595
	44,191,719	63,187,851
Note 13: Non Current Investments (Unquoted)		
Cura Global GRC Solutions Pte Ltd. (Cost of 27,23,510 Equity Shares with face value of USD 1/- each fully paid and one Equity Shares of SGD 1/- each fully paid)	132,498,796	132,498,796
Softpro Technologies Pvt Ltd (932,820 Equity Shares with face value of Rs.10/- each fully paid up) Less: Provision for diminution in value of investments	9,328,200 (4,664,100)	9,328,200 -
During the year company has provided an amount of Rs 46,64,100 towards provision of diminution in value of investments in the equity shares of Softpro Technologies Pvt Ltd		
Note 13.1 Subtotal	4,664,100	9,328,200
	137,162,896	141,826,996
Note 14: Long-term Loans and Advances (Advances recoverable in cash or in kind or for the value to be received)		
a) Advances to Subsidiaries	471,134,266	244,374,903
b) Advances for capital goods	24,255,339	103,945,000
c) Other advances	1,025,000	9,877,487
d) Deposits with Government authorities (refer note 14.1)	2,029,592	1,762,950
	498,444,196	359,960,340
Note 14.1: Deposits with Government Authorities include an amount of Rs. 15,67,600 (previous year: Rs.15,67,600) towards Security Deposit with APCPDCL Hyd and other deposits Rs. 461,992 (previous year :195,350)		

Particulars	As at March 31, 2013	As at March 31, 2012
Note 15: Trade Receivables		
Debtors exceeding six months from the date they are due (Unsecured and considered good)		
a) Outstanding for more than 6 months	35,816,113	72,228,718
b) Others	229,045,169	220,574,084
	264,861,282	292,802,802
Note 15.1: Trade receivables includes an amount of Rs. 137,928,396 (previous year: 167,188,314) receivable from the Company wholly owned subsidiary CURA Global GRC solutions Pte Limited		
Note 16: Cash & Cash Equivalents		
a) Cash in Hand	5,430	237,826
b) Balances with scheduled banks		
i) in current accounts	1,304,765	282,417
ii) Fixed deposit accounts		249,991
iii) Unclaimed dividend accounts	243,760	243,760
	1,553,955	1,013,995
Note 17: Short-term Loans and Advances		
Considered good		
Advances to vendors (Refer Note 17.1)	101,337,576	5,584,112
Staff loans and advances	65,122	81,182
Balances with statutory/ government authorities	522,047	522,047
Prepaid expenses	1,354,763	481,676
	103,279,508	6,669,016
Advances to Vendors include an amount of Rs 416,184 from ICSA India Ltd, a related party to the company		
Note 17.1		
Note 18: Revenue from Operations		
Software development on Domestic Projects	-	1,337,000
Technical Services	1,000,000	415,200
Software development on Exports Projects	51,903,175	93,107,786
	52,903,175	94,859,986
Note 19: Other Income		
Rent Receipts for Space	22,669,256	30,568,642
Maintenance Charges Receipts	2,449,265	2,342,924
Interest Received	-	109,789
Miscellaneous Income	2,505,090	135,634
Foreign exchange gain	-	824,226
	27,623,611	33,981,215
Note 20: Employee Benefit Expenses		
Salaries, wages and bonus	33,321,958	82,603,562
Contribution to provident and other funds	2,025,700	4,458,883
Staff welfare expenses	774,405	676,222
Expense on Employee Stock Option Scheme (ESOP)	15,472	6,239,290
	36,137,535	93,977,957
Note 21: Finance Cost		
Interest on term loans	11,520,995	10,859,236
Interest on Statutory Payments	285,754	2,602,229
Bank Charges & Commission	3,395,985	213,782
	15,202,734	13,675,247
Note 22: Other Expenses		
Advertisements	325,214	232,380
Other selling expenses	1,532,113	2,005,334
Repairs and maintenance		
Buildings	1,894,160	839,576
Plant and machinery	549,163	956,862
Power and fuel	2,056,188	3,488,138
Legal and professional	167,167	231,451
Travelling and conveyance	1,172,532	6,698,104
Foreign exchange loss	6,637,868	-
Communication	1,540,287	2,908,388
Rent	3,432,195	6,268,414
Security expenses	1,399,139	1,722,371
Rates and taxes	2,106,728	1,987,920
Printing and stationery	225,659	371,801
Insurance	291,561	942,465
Payment to auditors	550,000	550,000
Miscellaneous	4,966,903	163,062
	28,846,876	29,366,266
Note 22.1: Payments to the auditors comprises (Excluding Service Tax)		
Audit Fee	350,000	350,000
Tax Audit Fee	100,000	100,000
Certification and others	100,000	100,000
	550,000	550,000

Schedule 12 : FIXED ASSETS SCHEDULE										
Sl. No.	Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK
		Balance	Additions	Sale or	Balance	Balance	During	Sale or	Total	As on
		as on	during	adjsts for	as on	01-04-2012	the	Adjs for	as on	31-03-2013
		01-04-2012	the period	the period	31-03-2013		Year	the period	31-03-2013	
a) Tangible Assets										
	Land at Hyderabad	9,174,326	-	-	9,174,326	-	-	-	-	9,174,326
	Building	85,936,779	-	-	85,936,779	12,335,817	1,400,769	-	13,736,587	72,200,192
	Air Conditioning System	17,978,434	42,500.00	-	18,020,934	7,892,032	589,724	-	8,481,756	9,539,178
	Plant & Machinery	3,170,162	-	-	3,170,162	1,477,085	150,583	-	1,627,667	1,542,495
	Electrical Equipments	6,300,937	12,947.00	-	6,313,884	2,740,115	174,727	-	2,914,841	3,399,043
	Electrical Fittings	9,478,245	-	-	9,478,245	3,985,830	450,217	-	4,436,046	5,042,199
	Interiors,Furniture & Fixture	35,726,913	634,025.00	-	36,360,938	21,283,105	1,277,249	-	22,560,354	13,800,584
	Lift System	2,817,500	-	-	2,817,500	1,240,954	133,831	-	1,374,786	1,442,715
	Fire Safety Equipment	2,439,423	-	-	2,439,423	1,023,462	115,873	-	1,139,334	1,300,089
	Computers	16,851,550	68,590.00	1,144,422	15,775,718	11,300,541	2,151,262	619,825	12,831,978	2,943,740
	Office Equipment	3,863,642	112,969.00	37,099	3,939,512	898,929	184,158	11,573	1,071,515	2,867,997
	Library Books	63,389	-	-	63,389	63,389	-	-	63,389	-
	Motor Cars	2,074,460	-	-	2,074,460	1,192,743	197,073	-	1,389,815	684,645
	Land at Vizag (under development)	3,867,596	-	-	3,867,596	-	-	-	-	3,867,596
	T O T A L (a)	199,743,356	871,031	1,181,521	199,432,866	65,434,000	6,825,465	631,398	71,628,068	127,804,798
b) Intangible Assets										
	Software Tools & Packages	14,304,488	585,086.54	-	14,889,575	7,544,781	682,835	-	8,227,616	6,661,959
	T O T A L (b)	14,304,488	585,086.54	-	14,889,575	7,544,781	682,835	-	8,227,616	6,661,959
	T O T A L (a+b)	214,047,844	1,456,117.54	1,181,521	214,322,441	72,978,781	7,508,300	631,398	79,855,683	134,466,757

1. CORPORATE INFORMATION

CURA Technologies Limited (CURA' or 'the Company') with its with its presence in 7 geographies of the world is a global enterprise class software application provider for organizations to efficiently manage their Risk , Compliance and Audit framework through an automated process.

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

2.1 Accounting Conventions:

The financial statements have been prepared under the historical cost conventions in accordance with the generally accepted accounting principles in India including the Accounting Standards notified by the Government of India and issued by the Institute of Chartered Accountants of India, as applicable, and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

2.2 Use of Estimates:

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

2.3 Inventories:

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

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

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

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

2.5 Depreciation and Amortization:

Depreciation on Fixed Assets including on the additions on account of revaluation has been provided on a straight-line method at the rates specified in the Schedule XIV to the Companies Act, 1956.

Depreciation on the additional value due to revaluation has been charged to the Revaluation Reserve account.

Intangible assets are amortized over the estimated useful life as follows:

License fee – 6 years (3 years remaining as on Balance Sheet Date)

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

2.6 Revenue Recognition:

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

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

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

2.7 Expenditure:

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

2.8 Tangible Fixed Assets:

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

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

2.9 Intangible assets:

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

2.10 Foreign Exchange Transactions:

Initial Recognition

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

Measurement of foreign currency monetary items at the Balance Sheet date

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

Treatment of exchange differences

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

2.11 Investments

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

2.12 Employee Benefits:

a) Short Term Employee Benefits

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

b) Long Term Employee Benefits

Defined Benefit Plans

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

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

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

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

2.14 Taxes on Income

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

2.15 Impairment of Assets

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

2.16 Provisions, Contingent Liabilities and Contingent Assets

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

2 .Notes on Accounts:

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

Particulars	March 31, 2013	March 31, 2012
i) Bank Guarantee issued to Central Excise department	260,000	260,000
ii) Claim against the Company not acknowledge as debt	376,112	376,112

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

Particulars	March 31, 2013	March 31, 2012
2005-2006	1,058,047	1,058,047
2006-2007	1,358,171	1,358,171
2007-2008	1,760,163	1,760,163
Total	4,176,381	4,176,381

iv) The Company provided Corporate Guarantee of ₹ 268,610,247 to Andhra Bank for a counter guarantee provided to Bank of India for term loan sanctioned by Bank of India to Cura Global GRC Solutions Pte. Ltd, Singapore ("CURA Singapore "), a Subsidiary of the Company. This Corporate Guarantee is also secured by first Pari-pasu mortgage of its Land & Buildings.

2.18 Estimated amount of contracts remaining to be executed on capital accounts not provided for ₹ NIL [Previous year ₹ 473,800].

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

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

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

Particulars	As at 31 March 2013	As at 31 March 2012
a) Principal amount remaining unpaid and interest due thereon	NIL	NIL
b) Interest paid in terms of Section 16	NIL	NIL
c) Interest due and payable for the period of delay in payments	NIL	NIL
d) Interest accrued and remaining unpaid	NIL	NIL
e) Interest due and payable even in succeeding years	NIL	NIL

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

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

A) Names of Related Parties and description of Relationship:

Party	Relationship
G.Bala Reddy	Key Management Person
G.Venkateswara Rao	Key Management Person
Softpro Technologies Private Limited	Subsidiary Company
Cura Global GRC Solutions Pte Limited	Wholly Owned Company
ICSA (INDIA) Limited	Associate Company
Sahasra Investments Pvt Ltd	Associate Company
G.Velangini Mary	Relative of Key Management Person

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

Description	Subsidiaries	Associates	KMP'S	Relatives of KMP's
Sales	73,860,777	-	-	-
	99,424,666	1,337,000	-	-
Rendering of Services	-	-	-	-
	(-)	415,200	-	-
Rental Income	-	25,118,521	-	-
	(-)	35,814,573	-	-
Loans and Advances given	47,11,34,266	8,804,790	-	-
	24,43,74,903	89,780,000	-	-
Balances Receivable/(Payable)	60,90,62,662	(11,025,000)	-	-
	41,15,63,217	(15,587,126)	-	-

Note: - Amounts in Italics relating to previous year.

- 2.22 Provision for Gratuity is made for the employees on the actuarial basis as per AS15 :
Gratuity

(₹)

	As at 31.03.2013	As at 31.03.2012
Change in present value of obligations:		
Present Value of Obligation at the beginning of the Year	524,506	516,377
Current Service Cost	184,107	325,937
Interest Cost	45,370	41,310
Actuarial (Gains) / Losses	(346,598)	(359,118)
Benefits paid		-
Present Value of Obligation at the end of the year	407,385	524,506

Amounts Recognised in the Balance Sheet		
Present Value of Obligation at the end of the year	407,385	524,506
Fair Value of Plan Assets as at the end of the year	-	-
Funded Status	(407,385)	(524,506)
Net Asset (Liability recognized in the Balance Sheet)	(407,687)	(524,506)

Expense recognized in the Statement of Profit and Loss		
Current Service Cost	184,107	325,937
Interest Cost	45,370	41,310
Expected Return on Plan Assets	-	-
Net Actuarial (Gains) / Losses Recognised in the year	(346,598)	(359,118)
Net Cost Recognized in the Profit & Loss Account	(117,121)	8,129

Assumptions		
Discount Rate	8.65%	8.65%
Future Salary Increase	3.00%	3.00%
Expected Rate of Return on Plan Assets	1 to 5 : 5% 5 to 10 : 3.7%	1 to 5 : 5% 5 to 10 : 3.7%

- 2.23 Provision for Leave Encashment is made for the employees on the actuarial basis as per AS15 :
Leave Encashment

(₹)

	As at 31.03.2013
<u>Change in present value of obligations:</u>	
Present Value of Obligation at the beginning of the Year	-
Current Service Cost	497,814
Interest Cost	19,325
Actuarial (Gains) / Losses	(79,708)
Benefits paid	-
Present Value of Obligation at the end of the year	345,011

<u>Amounts Recognised in the Balance Sheet</u>	
Present Value of Obligation at the end of the year	345,011
Fair Value of Plan Assets as at the end of the year	-
Funded Status	(345,011)
Net Asset (Liability recognized in the Balance Sheet)	(345,011)

<u>Expense recognized in the Statement of Profit and Loss</u>	
Current Service Cost	456,386
Interest Cost	19,325
Expected Return on Plan Assets	-
Net Actuarial (Gains) / Losses Recognized in the year	(79,708)
Net Cost Recognized in the Statement of Profit and Loss	396,003

<u>Assumptions</u>	
Discount Rate	8.65%
Future Salary Increase	3.00%
Expected Rate of Return on Plan Assets	1 to 5 : 5% 5 to 10 : 3.7%

- 2.24. Quantitative details requirements regarding software and technical services are not applicable.
- 2.25 Balances of Sundry Debtors, Loans & Advances and Sundry Creditors are subject to confirmation from the concerned parties.

2.26. Segment Report as per Accounting Standard 17 for the Year ended 31st March 2013:

(Amounts in Lakhs)

Particulars	31.03.2013	31.03.2012
	Audited	Audited
Segment wise revenue, results and capital employed		
Segment wise revenue		
a) Software Development	529.03	948.60
b) Lease/Rental Income	251.19	329.12
Total	780.22	1,277.72
Less:- Inter segment Revenue	-	-
Net Sales/Income from Operations	780.22	1,277.72
Segment Results - Profit / (Loss) before tax and interest		
a) Software Development	(120.81)	(167.00)
b) Lease/Rental Income	176.10	127.16
Total	55.29	(39.84)
c) other Income	25.05	10.70
Less:- Interest	152.03	134.61
Total Profit/(Loss) Before Tax	(71.68)	(163.75)
Capital Employed		
a) Software Development	5,284.54	7,812.00
b) Rental Income & Others	2,759.34	681.73
Total	8,043.88	8,493.73

Independent Auditor's Report

To the Board of Directors of
CURA TECHNOLOGIES LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **M/s CURA TECHNOLOGIES LIMITED** ('the Company') which comprise the consolidated Balance Sheet as at 31st March 2013, the consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant Accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - (b) In the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

6. We have audited the Financial statements of the subsidiary namely **M/s. Softpro Technologies Private Limited** which reflects total assets (net) of ` 106.14 lakhs as at March 31, 2013, total revenue (net) of “Nil” and net cash flows amounting to ` “Nil” for the year ended 31st March, 2013.
7. We did not audit the financial statements of Subsidiary namely, **M/s. Cura Global GRC Solutions (Pte) Limited**, whose financial statements reflect total assets (net) of ` 11,927.04 lakhs as at March 31, 2013, total revenues (net) of ` 3,883.00 lakhs for the year ended 31st March, 2013. These financial statements have not been audited and we have relied on the provisional financial statements prepared by the management and have been furnished to us and our opinion is based solely on the provisional financial statements prepared by the management.

Place: Hyderabad
Date: 02-09-2013

For RAMBABU & Co.
Chartered Accountants

Firm's Reg.No.002976S

Sd/-
RAVI RAMBABU
Partner M.No.018541

Consolidated Financial Statements			
Balance Sheet			
Particulars	Note	As at 31 March 2013	As at 31 March 2012
I EQUITY & LIABILITIES			
1 SHARE HOLDERS' FUND			
Share Capital	3	95,550,000	95,550,000
Reserves & Surplus	4	421,278,642	462,391,775
		516,828,642	557,941,775
2 Share Application money pending allotment	5	350,000	350,000
3 NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	6	582,162,866	532,029,092
(b) Deferred Tax Liabilities	7	6,312,666	7,224,699
(c) Other Long Term Liabilities	8	604,526,223	15,242,323
(d) Long Term Provisions	9	752,396	2,296,627
		1,193,754,152	556,792,741
4 CURRENT LIABILITIES			
(a) Trade Payables	10	69,493,881	52,855,937
(b) Other Current Liabilities	11	176,958,117	264,439,941
(c) Short Term Provisions		22,922,696	-
		269,374,694	317,295,878
		1,980,307,488	1,432,380,394
II ASSETS			
NON CURRENT ASSETS			
1 (a) Fixed Assets			
Tangible Assets	12	136,272,738	153,507,360
Intangible Assets		98,651	-
Capital Work-in-progress		207,094,817	201,195,035
		343,466,206	354,702,395
(b) Goodwill		629,686,805	629,686,805
(c) Long Term Loans & Advances	13	507,925,428	115,585,437
		1,137,612,233	745,272,242
2 CURRENT ASSETS			
(a) Current Investments			
(b) Inventories		3,456,100	10,202,609
(c) Trade Receivables	14	282,663,094	250,156,422
(d) Cash and Cash equivalents	15	24,054,402	57,340,182
(e) Short Terms Loans and Advances	16	189,065,453	14,706,544
		499,239,049	332,405,757
		1,980,317,488	1,432,380,394

See accompanying notes forming part of the financial statements 1 to 21

The accompanying notes are an integral part of financial statements

As per our report of even date attached

for and on behalf of Board

for **RAMBABU&Co**

Chartered Accountants

Firm Registration No.: 002976S

RAVI RAMBABU

Partner

Mno: 18541

G. Bala Reddy
Chairman & Managing Director

G.Venkateswara Rao
Executive Director

Jyothi Bung
Company Secretary

Place: Hyderabad

Date: 02 September 2013

Consolidated Financial Statements			
Statement of Profit & Loss			
Particulars	Note	for the year ended 31 March 2013	for the year ended 31 March 2012
Revenue from operations	17	385,107,671	466,325,638
Other Income	18	32,809,323	35,437,295
Total Revenue		417,916,994	501,762,933
Expenses			
Employee Benefit Expenses	19	229,890,277	285,394,117
Finance Costs	20	27,912,153	47,347,606
Depreciation & Amortisation expenses	12	11,340,816	65,386,911
Other expenses	21	148,479,506	188,208,071
Total Expenses		417,622,753	586,336,705
PROFIT BEFORE TAX & EXCEPTIONAL ITEMS		294,241	(84,573,772)
Tax Expenses			
Current Tax			
Deferred Tax	7	(912,033)	(2,301,467)
PROFIT AFTER TAX BEFORE EXCEPTIONAL ITEMS		1,206,274	(82,272,305)
Exceptional items			
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS		1,206,274	(82,272,305)
EARNINGS PER EQUITY SHARE			
Equity share of par value Rs.10/- each			
Earnings per share			
Basic - Par value		0.13	(8.62)
Diluted - Par value			
Number of shares used in computing earning per share			
Basic - Par value		9,555,000	9,543,110
Diluted - Par value		9,555,000	9,578,110

See accompanying notes forming part of the financial statements 1 to 21

The accompanying notes are an integral part of financial statements

As per our report of even date attached

for and on behalf of Board

for **RAMBABU&Co**

Chartered Accountants

Firm Registration No.: 002976S

RAVI RAMBABU

Partner

Mno: 18541

G. Bala Reddy
Chairman & Managing Director

G.Venkateswara Rao
Executive Director

Jyothi Bung
Company Secretary

Place: Hyderabad

Date: 02 September 2013

Consolidated Financial Statements		
Cash Flow Statement		
Particulars	for the year ended 31st March 2013	for the year ended 31st March 2012
Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	294,241	(84,573,772)
<i>Adjustments for:</i>		
Depreciation and amortisation	11,340,816	65,386,911
Profit or (loss) on sale of assets	-	-
ESOP Expenses	15,472	6,239,290
Foreign exchange loss/ (gain)	6,637,868	(1,943,407)
Interest (income)/expenses	27,912,153	46,466,333
Operating profit / (loss) before working capital changes	46,200,550	31,575,355
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	6,746,509	523,141
Trade receivables	(32,506,672)	(63,033,332)
Short-term loans and advances	(359,921,457)	12,638,159
long-term loans and advances	392,339,991	95,963,307
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	16,637,944	(80,040,610)
Other current liabilities	(87,481,824)	138,169,954
Long-term provisions	(1,544,231)	(130,750)
	(65,729,739)	104,089,869
Cash generated from operations	(19,529,190)	135,665,224
Net income tax (paid) / refunds		-
Net cash flow from / (used in) operating activities (A)	(19,529,190)	135,665,224
Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(84,718,412)	(92,145,668)
Sale of fixed asset	631,398	1,169,158
Net cash flow from / (used in) investing activities (B)	(84,087,015)	(90,976,510)
Cash flow from financing activities		
Proceeds from issue of share capital		-
Proceeds from long-term borrowings	(5,587,126)	5,587,126
Repayment of long term borrowing	55,720,900	(41,828,794)
Net increase / (decrease) in working capital borrowings		403
Interest Income		472,533
Finance Costs	(27,912,153)	(41,371,664)
Net cash flow from / (used in) financing activities (C)	22,221,621	(77,140,396)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(81,394,583)	(32,451,682)
Cash and cash equivalents at the beginning of the year	57,340,182	89,791,864
Cash and cash equivalents at the end of the year	(24,054,401)	57,340,182

See accompanying notes forming part of the financial statements 1 to 21

As per our report of even date attached

for **RAMBABU&Co**

Chartered Accountants

Firm Registration No.: 002976S

RAVI RAMBABU

Partner

Mno: 18541

G. Bala Reddy
Chairman & Managing Director

G.Venkateswara Rao
Executive Director

Jyothi Bung
Company Secretary

Place: Hyderabad

Date: 02 September 2013

Schedules forming part of Balance sheet		
Particulars	As at 31 March 2013	As at 31 March 2012
Note 3 : Share Capital		
Authorised Share Capital		
100,00,000 Equity shares of Rs.10 each	100,000,000	100,000,000
	100,000,000	100,000,000
Issued, Subscribed & Paid up Capital	95,550,000	95,550,000
95,55,000 Equity Shares of Rs.10/- each fully paid up (Previous year 95,20,000 Equity Shares of Rs.10/- each fully paid-up)		
Reconciliation of the equity shares outstanding is set out below:		
Equity Shares:		
Number of shares outstanding at the beginning of the year	9,555,000	9,520,000
Share issued during the year:		
on exercise of employee stock options	-	35,000
on conversion of warrants	-	-
Number of shares outstanding at the end of the year	9,555,000	9,555,000
Details of shareholders holding more than 5% shares in the company		
Particulars		
SAHASRA INVESTMENTS (P) LTD	3,617,726	3,634,948
Share holding %	37.86%	38.04%
Note 4 : Reserves & Surplus		
4.1 Capital reserve	1,565,900	1,565,900
4.2 Securities premium		
Opening balance	613,287,556	606,135,306
Add: Additions during the year	-	7,152,250
Less: Utilised during the year		
Closing balance	613,287,556	613,287,556
4.3 General reserve		
Opening balance	32,328,123	32,328,123
Add: Transferred from statement of Profit & Loss	-	-
Less: Transferred to statement of Profit & Loss		
Closing balance	32,328,123	32,328,123
4.4 Profit and Loss Statement		
Opening balance	(224,113,717)	(141,841,412)
Add: Profit for the year	(2,836,073)	(82,272,305)
Closing balance	(226,949,790)	(224,113,717)
4.5 Employee stock options outstanding	7,152,250	7,152,250
4.6 Deferred Stock Compensation cost	(7,152,250)	(7,152,250)
4.7 Foreign Currency translation reserve	1,056,853	38,612,357
4.8 Minority Interest	-	711,556
	1,056,853	39,323,913
	421,288,642	462,391,775
Note 5 : Share Application Money		
Share application money received	350,000	350,000
Note: As at 31 March 2013, the Company has received an amount of 350,000 towards share application money towards 35,000 equity shares (As at 31 March, 2012 350,000 towards 35,000 equity/preference shares). The share application money was received pursuant to the Employee Stock Option scheme 2008. The Company has sufficient authorised capital to cover the allotment of these shares. Pending allotment of shares, the amounts are maintained in a designated bank account and is not available for use by the Company.		
Note 6 : Long Term Borrowing		
Secured Loan		
Andhra Bank Term Loan (refer note 6.1)	332,957,879	38,956,355
Bank of India Term Loan (refer note 6.2)	249,204,987	487,485,611
Unsecured		
From Related Parties	-	5,587,126
	582,162,866	532,029,092
Note 6.1 During the financial year 2009-10, the Company has taken a term loan of 9.38 crore from Andhra Bank, Hyderabad. The said loan is repayable in 60 equitable monthly installments commencing from 20th Nov 2009. The said loan is secured by way of first charge on rent receivables from tenants and further secured by land and buildings of the Company and personal guarantee of the promoter. This		
also include the 50% of the loan paid to Bank of India by Andhra Bank to the tune of 26.86 Crores		
Note 6.2 During the financial year 2009-10, the Company has taken a term loan of 14.24 USD Mn from Bank of India, Singapore. The said loan is repayable in 20 equitable Quarterly installment of US\$ 720,000 commencing from 31st May 2010. The said loan is secured by way of first charge on shares of Cura Global GRC Solutions Pte Ltd and share of Cura Risk Management (Pty) Ltd and a charge over Land & Building in Hyderabad.		

Particulars	As at 31 March 2013	As at 31 March 2012
Note 7 : Deferred Tax Liabilities		
<i>Opening Deferred tax liability</i>	7,224,699	9,526,166
Tax effect of items constituting deferred tax liability	(912,033)	(2,301,467)
On difference between book balance and tax balance of fixed assets		
	6,312,666	7,224,699
<i>Net deferred tax liability</i>		
Note 8 : Other Long Term Liabilities	633,346,223	15,242,323
Rental deposits		
Note 9 : Long Term Provision	345,011	1,772,121
Leave Encashment Payable	407,385	524,506
Provision for Gratuity	752,396	2,296,627
Note 10 : Trade Payables	854,405	864,667
Creditors for Materials	68,639,476	51,991,270
Creditors for Services	69,493,881	52,855,937
Note 11: Other Current Liabilities	28,820,000	28,820,000
Current maturities of long-term debt, Secured (Andhra Bank Term Loan refer note 6.1)	385,570	1,091,663
Creditors for capital goods		
Payable to subsidiary companies, step down subsidiaries, joint ventures and associates	-	553,773
Unpaid dividends	2,396,419	28,458,812
Provision for expenses		
Salary and Bonus payable	8,583,706	24,659,056
Due to statutory authorities	-	1,209,671
Provision for tax (net of advance tax Rs.8162148 as 31 March 2013)	136,772,422	179,646,969
Other current liabilities	176,958,117	264,439,944
Note 13: Long-term Loans and Advances (Advances recoverable in cash or in kind or for the value to be received)	480,615,498	-
a) Advances to Subsidiaries	24,255,339	103,945,000
b) Advances for capital goods	1,025,000	9,877,487
c) Other advances	2,029,592	1,762,950
d) Deposits with Government authorities (refer note 14.1)		
	507,925,429	115,585,437
Note 13: Deposits with Government Authorities include an amount of Rs. 15,67,600 (previous year: Rs.15,67,600) towards Security Deposit with APCPDCL Hyd and other deposits Rs. 461,992 (previous year :195,350)		
Note 14: Trade Receivables (Unsecured and considered good)	132,430,641	72,228,718
a) Outstanding for more than 6 months	150,232,452	177,927,704
b) Others	282,663,093	250,156,422
Note 15: Cash & Cash Equivalents		
a) Cash in Hand	5,430	240,972
b) Balances with scheduled banks	23,805,213	50,636,189
i) in current accounts		6,219,261
ii) Fixed deposit accounts	243,761	243,761
iii) Unclaimed dividend accounts	24,054,404	57,340,183
	24,054,404	57,340,183
<i>Cash and cash equivalents for cash flow statements</i>		
Note 16: Short-term Loans and Advances		
Considered good	101,337,576	5,584,112
Advances to vendors	65,122	81,182
Advance tax	85,785,945	7,113,330
Other Advances	522,047	522,047
Balances with statutory/ government authorities	1,354,763	1,405,873
Prepaid expenses	189,065,453	14,706,544

Particulars	As at 31 March 2013	As at 31 March 2012
Note 17: Revenue from Operations		
Licence Sale	385,107,671	372,802,652
Software development on Domestic Projects	-	415,200
Technical Services	-	93,107,786
	385,107,671	466,325,638
Note 18: Other Income		
Rent Receipts for Space	22,669,256	30,568,642
Maintenance Charges Receipts	2,449,265	2,342,924
Interest Received	-	109,789
Miscellaneous Income	7,690,802	472,533
Foreign exchange gain	-	1,943,407
	32,809,323	35,437,295
Note 19: Employee Benefit		
Salaries, wages and bonus	227,064,701	274,019,722
Contribution to provident and other funds	2,025,700	4,458,883
Staff welfare expenses	774,405	676,222
Expense on Employee Stock Option Scheme (ESOP)	15,472	6,239,290
	229,880,278	285,394,117
Note 20: Finance Cost		
Interest on term loans	24,230,414	43,973,893
Interest on Statutory Payments	285,754	2,602,229
Interest on Income Tax	-	771,484
Bank Charges & Commission	3,395,985	-
Note 21: Other Expenses		
Advertisements	325,214	26,227,853
Other selling expenses	6,002,228	78,135,170
Repairs and maintenance		
Buildings	1,894,160	839,576
Plant and machinery	549,163	1,589,097
Power and fuel	2,056,188	6,707,702
Legal and professional	167,167	586,715
Travelling and conveyance	16,851,233	22,802,043
Foreign exchange loss	6,637,868	-
Communication	7,570,987	11,491,291
Rent	19,223,366	27,461,598
Security expenses	1,399,139	1,722,371
Rates and taxes	2,106,728	2,786,652
Printing and stationery	225,659	1,170,239
Insurance	291,561	2,114,860
Payment to auditors	3,208,420	4,333,507
Miscellaneous	79,970,425	239,397
	148,479,506	188,208,071
Note 22.1 Payments to the auditors comprises (Excluding Service Tax)		
Audit Fee	2,467,500	3,331,000
Tax Audit Fee	645,300	672,000
Certification and others	95,620	330,507
	3,208,420	4,333,507

Schedule 12 : CONSOLIDATED FIXED ASSETS SCHEDULE											
Sl. No.	Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	NET BLOCK
		Balance	Additions	Sale or	Balance	Balance	During	Sale or	Total	As on	As on
		as on	during	adjsts for	as on	01-04-2012	the	Adjs for	as on	31-03-2013	31-03-2012
		01-04-2012	the period	the period	31-03-2013		period	the period	31-03-2013		
a) Tangible Assets											
	Land at Hyderabad	11,740,056	-	-	11,740,056	2,028,280	-	-	2,028,280	9,711,776	9,711,776
	Building	85,936,779	-	-	85,936,779	12,335,817	1,900,769	-	14,236,586	71,700,193	73,600,962
	Air Conditioning System	17,978,434	42,500	-	18,020,934	7,627,609	934,147	-	8,561,756	9,459,178	10,350,825
	Plant & Machinery	3,170,162	-	-	3,170,162	1,477,866	150,583	-	1,628,449	1,541,713	1,692,296
	Electrical Equipments	6,300,937	12,947	-	6,313,884	2,615,115	349,727	-	2,964,842	3,349,042	3,685,822
	Electrical Fittings	9,478,245	-	-	9,478,245	3,985,830	525,217	-	4,511,046	4,967,199	5,492,415
	Interiors,Furniture & Fixtures	40,267,618	634,025	-	40,901,643	23,138,286	2,677,249	-	25,815,535	15,086,108	17,129,332
	Lift System	2,817,500	-	-	2,817,500	1,240,954	133,831	-	1,374,786	1,442,715	1,576,546
	Fire Safety Equipment	2,439,423	-	-	2,439,423	1,023,462	115,873	-	1,139,334	1,300,089	1,415,961
	Computers	40,669,643	68,590	1,144,422	39,593,811	29,708,890	3,401,262	619,825	32,490,327	7,103,484	10,960,753
	Office Equipment	10,249,974	112,969	37,099	10,325,844	5,561,884	184,158	11,573	5,734,469	4,591,375	4,688,089
	Library Books	63,389	-	-	63,389	63,389	-	-	63,389	-	-
	Motor Cars	2,511,777	-	-	2,511,777	1,498,868	285,167	-	1,784,035	727,742	1,012,909
	Land at Vizag (under development)	3,867,596	-	-	3,867,596	-	-	-	-	3,867,596	3,867,596
	T O T A L (a)	237,491,533	871,031	1,181,521	237,181,043	92,306,249	10,657,982	631,398	102,332,834	134,848,209	145,185,282
b) Intangible Assets											
	Software Tools & Packages	19,769,384	585,087	-	20,354,471	11,447,308	682,835	-	12,130,143	8,224,328	8,322,076
	Customer Relationships	-	-	-	-	16,356,511	-	-	-	-	-
	Research & Development at cost	-	-	-	-	172,429,217	-	-	-	-	-
	T O T A L (b)	19,769,384	585,087	-	20,354,471	200,233,036	682,835	-	12,130,143	8,224,328	8,322,076
	T O T A L (a+b)	257,260,917	1,456,118	1,181,521	257,535,514	292,539,285	11,340,817	631,398	114,462,977	143,072,537	153,507,358

1. CORPORATE INFORMATION

CURA Technologies Limited (CURA' or 'the Company') with its with its presence in 7 geographies of the world is a global enterprise class software application provider for organizations to efficiently manage their Risk , Compliance and Audit framework through an automated process.

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

2.1 Accounting Conventions :

The financial statements have been prepared under the historical cost conventions in accordance with the generally accepted accounting principles in India including the Accounting Standards notified by the Government of India and issued by the Institute of Chartered Accountants of India, as applicable, and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

2.2 Use of Estimates:

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

2.3 Inventories:

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

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

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

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

2.5 Depreciation and Amortization:

Depreciation on Fixed Assets including on the additions on account of revaluation has been provided on a straight-line method at the rates specified in the Schedule XIV to the Companies Act, 1956.

Depreciation on the additional value due to revaluation has been charged to the Revaluation Reserve account.

Intangible assets are amortized over the estimated useful life as follows:

License fee – 6 years (3 years remaining as on Balance Sheet Date)

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

2.6 Revenue Recognition:

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

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

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

2.6 Basis of Consolidation

The consolidated financial statements include the financial statements of CURA Technologies Limited (“CURA or the Company”), the parent company and all of its subsidiaries (collectively referred to as “the Group” or “CURA Group”), in which the company has more than one-half of the voting power of an enterprise or where the company controls the composition of the board of directors.

In accordance with AS27 – “Financial Reporting of Interest in Joint Ventures”, issued under companies (Accounting Standards) Rules, 2006, the Group has accounted for its proportionate share of interest in a joint venture by proportionate consolidation method. The Consolidated financial statements have been prepared on the following basis:

The financial statements of the parent company and the subsidiaries have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their costs to the group.

The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries. The Group accounts for investments by the equity method of accounting where it is able to exercise significant influence over the operating and financial policies of the investee. Inter company profits and losses have been proportionately eliminated until realised by the investor or investee.

Pursuant to the adoption of AS 27 “Financial Reporting of interest in Joint ventures”, the group does not consolidate entities where regardless of the share capital contributions, the minority shareholders have significant participating rights jointly with the group, that provide for effective involvement in significant financial and operating decisions in the ordinary course of business. The proportionate share of group’s interest in joint ventures is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group transactions and resulting unrealised profits, to the extent it pertains to the group.

The excess/deficit of cost to the parent company of its investment in the subsidiaries, joint ventures and associates over its portion of equity at the respective dates on which investment in such entities were made is recognized in the financial statements as goodwill/ Capital reserve. The parent company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment. Goodwill / Capital reserve arising on the acquisition of an associate by the parent company included in the carrying amount of investment in the associate but is disclosed separately. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements. The consolidated financial statements are prepared using uniform accounting policies for like transactions other events in similar circumstances.

2.7 Expenditure:

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

2.8 Tangible Fixed Assets:

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

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

2.9 Intangible assets:

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

2.10 Foreign Exchange Transactions:

Initial Recognition

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

Measurement of foreign currency monetary items at the Balance Sheet date

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

Treatment of exchange differences

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

2.11 Investments

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

2.12 Employee Benefits:

a) Short Term Employee Benefits

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

b) Long Term Employee Benefits

Defined Benefit Plans

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

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

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

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

2.14 Taxes on Income

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

2.15 Impairment of Assets

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

2.16 Provisions, Contingent Liabilities and Contingent Assets

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

2 .Notes on Accounts:

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

Particulars	March 31, 2013	March 31, 2012
i) Bank Guarantee issued to Central Excise department	260,000	260,000
ii) Claim against the Company not acknowledge as debt	376,112	376,112

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

Particulars	March 31, 2013	March 31, 2012
2005-2006	1,058,047	1,058,047
2006-2007	1,358,171	1,358,171
2007-2008	1,760,163	1,760,163
Total	4,176,381	4,176,381

iv) The Company provided Corporate Guarantee of ₹ 268,610,247 to Andhra Bank for a counter guarantee provided to Bank of India for term loan sanctioned by Bank of India to Cura Global GRC Solutions Pte. Ltd, Singapore ("CURA Singapore "), a Subsidiary of the Company. This Corporate Guarantee is also secured by first Pari-pasu mortgage of its Land & Buildings.

2.18 Estimated amount of contracts remaining to be executed on capital accounts not provided for ₹ NIL [Previous year ₹ 473,800].

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

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

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

Particulars	As at 31 March 2013	As at 31 March 2012
a) Principal amount remaining unpaid and interest due thereon	NIL	NIL
b) Interest paid in terms of Section 16	NIL	NIL
c) Interest due and payable for the period of delay in payments	NIL	NIL
d) Interest accrued and remaining unpaid	NIL	NIL
e) Interest due and payable even in succeeding years	NIL	NIL

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

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

A) Names of Related Parties and description of Relationship:

Party	Relationship
G.Bala Reddy	Key Management Person
G.Venkateswara Rao	Key Management Person
Softpro Technologies Private Limited	Subsidiary Company
Cura Global GRC Solutions Pte Limited	Wholly Owned Company
ICSA (INDIA) Limited	Associate Company
Sahasra Investments Pvt Ltd	Associate Company
G.Velangini Mary	Relative of Key Management Person

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

Description	Subsidiaries	Associates	KMP'S	Relatives of KMP's
Sales	73,860,777	0	(0)	(0)
	<i>99,424,666</i>	<i>1,337,000</i>	(0)	(0)
Rendering of Services		0	(0)	(0)
	(0)	<i>415,200</i>	(0)	(0)
Rental Income	0	25,118,521	(0)	(0)
	(0)	<i>35,814,573</i>	(0)	(0)
Loans and Advances given	201,470,164	8,804,790	(0)	(0)
	<i>21,181,687</i>	<i>89,780,000</i>	(0)	(0)
Balances Receivable/(Payable)	485,889,615	(11,025,000)	(0)	(0)
	<i>472,643,210</i>	<i>(15,587,126)</i>	(0)	(0)

Note :- Amounts in Italics relating to previous year

- 2.22 Provision for Gratuity is made for the employees on the actuarial basis as per AS15 :
Gratuity

(₹)

	As at 31.03.2013	As at 31.03.2012
Change in present value of obligations:		
Present Value of Obligation at the beginning of the Year	524,506	516,377
Current Service Cost	184,107	325,937
Interest Cost	45,370	41,310
Actuarial (Gains) / Losses	(346,598)	(359,118)
Benefits paid		-
Present Value of Obligation at the end of the year	407,385	524,506

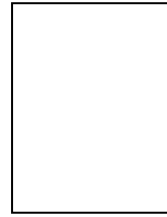
Amounts Recognised in the Balance Sheet		
Present Value of Obligation at the end of the year	407,385	524,506
Fair Value of Plan Assets as at the end of the year	-	-
Funded Status	(407,385)	(524,506)
Net Asset (Liability recognized in the Balance Sheet)	(407,687)	(524,506)

Expense recognized in the Statement of Profit and Loss		
Current Service Cost	184,107	325,937
Interest Cost	45,370	41,310
Expected Return on Plan Assets	-	-
Net Actuarial (Gains) / Losses Recognised in the year	(346,598)	(359,118)
Net Cost Recognized in the Profit & Loss Account	(117,121)	8,129

Assumptions		
Discount Rate	8.65%	8.65%
Future Salary Increase	3.00%	3.00%
Expected Rate of Return on Plan Assets	1 to 5 : 5% 5 to 10 : 3.7%	1 to 5 : 5% 5 to 10 : 3.7%

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