
Twenty Third Annual Report 2013 -14

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VISION AND MISSION

Vision

Become a global leader in the 21st century healthcare and education solutions & services market through innovations in both technology and process areas.

Mission

To create a globally reputed organization that provides state-of-the-art technology-cum-service platform and solutions for the healthcare and education sectors, that results in a highly efficient and profitable system for providers world over, where people enjoy working for, doing business with and investing in.



REGROUPING...



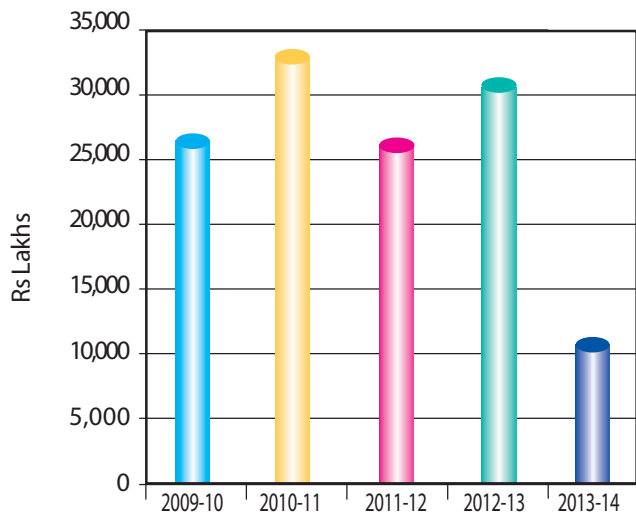
The Financial Years 2012-13 and 2013-14 has changed the way Accentia has been conducting business over the past 17 years in the healthcare domain. As the new Obamacare policy in the US demanded new modus operandi to be followed in the healthcare document creation, storage and management, Accentia's business in the Clinical Data Management, mainly in the Medical Transcription field has been severely affected. The management after assessing the latest developments in the healthcare domain in the US and after due evaluation of the potential of growth of business in the enterprise products/ platform for healthcare domain, have decided to a) focus on Enterprise Products market in the healthcare arena, b) shift the focus from the Business to Customer (B to C) model to Business to Business (B to B), and c) explore entry into niche areas in the field of education.

As this is a clear deviation from the business model followed in the last 17 years in healthcare, a strategy was formed by which we will focus on White Labelled Software Products for Practice Management System(PMS), Electronic Medical Records(EMR), Receivables Cycle Management(RCM), Code Scrubbing, Discrete Reportable Transcription(DRT) etc.; Platform As A Service(PaaS) in which our platform will be leased out to Companies for managing their clients with no start up cost; and Safecomm, safety communication device for women and children.

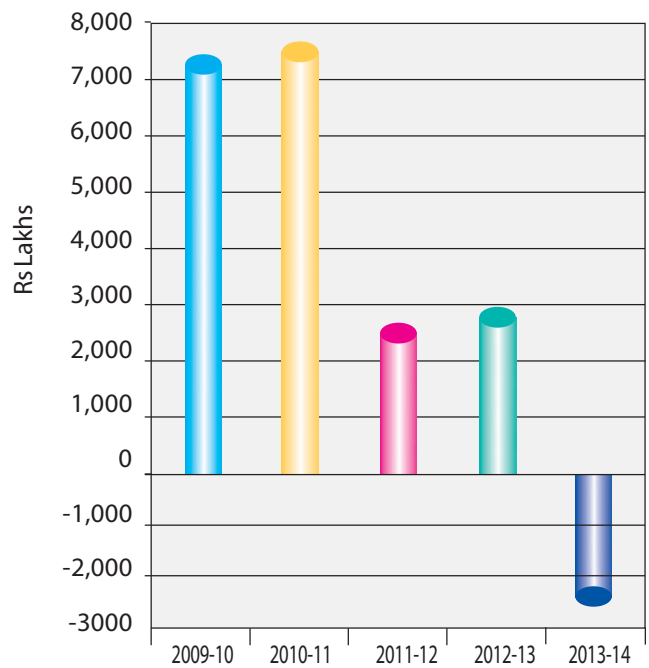
Your Company is taking every step to make it lean and mean and focus on a scalable, sustainable and bottom-line centric growth in the new highly dynamic healthcare and education market place globally.

FINANCIAL OVERVIEW

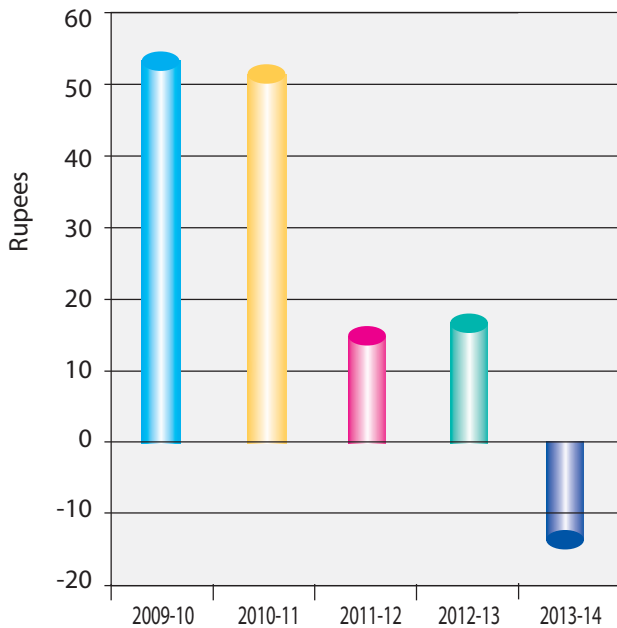
REVENUES



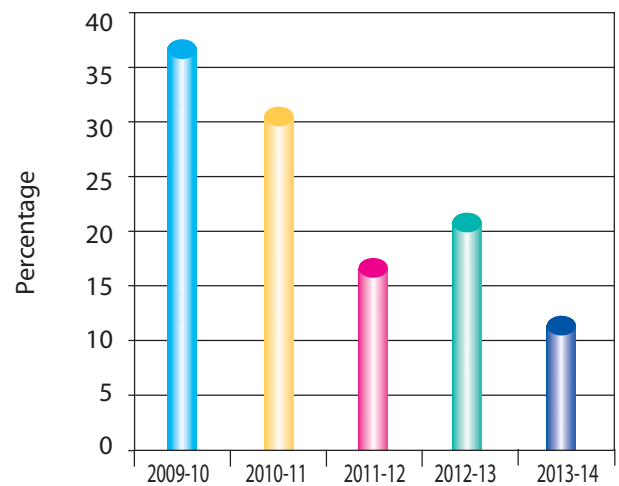
PROFIT AFTER TAX



EARNINGS PER SHARE



EBIDTA %



MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders,

I am happy to present before you a brief note on the affairs of your Company for the financial year 2013-2014.

For the year ended 31.03.2014, Accentia recorded revenues of Rs 11,262 lakhs over Rs 31,137 lakhs recorded last year. Loss for the year is Rs 2,507 lakhs over the last year profit of Rs 2,925 lakhs. EPS is Rs (15) against Rs 18 of last year.

The fortunes of Accentia underwent a drastic transformation after the announcement of the new healthcare policy by US President Obama in 2009. The new bill is totally changing the way documentation and healthcare receivables cycle management has been conducted over the past four decades. A major mandatory requirement as per the Obama Healthcare Bill is the usage of an Electronic Medical Records (EMR) suite to capture and record patients' demographical, clinical and all other related data into a database. Hence Accentia management decided to act proactively and develop its own EMR software and market the same all over the US.

The EMR software development work was undertaken by different teams and our software called Instakare was certified by the US government appointed agency ONC-ATCB in July 2011. After this we also launched Software As A Service (SaaS) platform for the EMR software, wherein Accentia will offer the entire suite of healthcare receivables management services for a physician or a clinic on a single, seamless platform.

Based on these changes happening in the marketplace, the Board of Directors had taken a strategic decision to focus on Enterprise Products market in the healthcare arena, thereby shifting from the earlier Business to Customer (B to C) model to Business to Business (B to B) model, and also to enter niche areas in the field of education. Since this was a total deviation from the business model followed in the last 16 years in the healthcare business, a strategy was formed by which we will focus on White Labelled Software Products for Practice Management System(PMS), Electronic Medical Records(EMR), Receivables Cycle Management(RCM), Code Scrubbing, Discrete Reportable Transcription(DRT) etc.; and Platform As A Service(PaaS) in which our platform will be leased out to Companies for managing their clients, with nil or minimal start up cost. The target clients will be software integrators, vendors of various hardware products, document management and receivables management companies.

Further in the education field, we have also developed a safety cum tracking device called Safecomm, which is a GSM phone with GPS facility, which can be given to children, elders and also women, when they are on the move. This device has been tested and approved by the central government agency Centre for Development of Advanced Computing(C-DAC) and with this certification we are expecting a host of purchase orders from the central and various state governments as well.

During the past couple of years, the revenues have dropped due to the steady migration of medical transcription work to EMR software, and we have drastically reduced the man power strength due to the reduction in the medical transcription work. At the same time, the profitability of the Company was affected due to the development of the EMR software and SaaS platform, and the full fledged marketing efforts that we have undertaken in the US. But this is purely temporary in nature and the coming year onwards, the company should see a steady growth, both in revenues and profitability. But the need of the hour is infusion of working capital, to fuel the marketing efforts and also to support the hand holding of new physicians in the SaaS platform.

Due to the need to conserve funds to meet the requirements of the new business model, the Directors felt it is desirable not to recommend dividend on equity shares for the financial year.

During the financial year, Mr. Kezer Abbas Kharawala and Mr Sreedhar Mukund Parande had resigned from the Board of Directors with effect from 31st March, 2014. I would like to place on record my sincere gratitude and appreciation for their contributions to the Company during their tenure. I am happy to inform you that Dr Kumarasami Balasubramani, an education sector expert with vast experience and proven track record in implementing managed services in education sector, Mr Bobichen Jacob Thomas, a corporate relations specialist in the healthcare domain and Ms Sudeepa Nagasampagi, renowned expert with vast experience in vocational skill training, have joined the Board of Directors as Independent Directors. I am sure these eminent personalities with their vast experiences will be able to add significant value to the Board and the Company. The undersigned has taken over as Managing Director from Mr. Pradeep Viswambharan, who will continue as a Wholetime Director.

I would like to appeal to all our shareholders to please support the management during this phase of turbulence in the market place, and I am sure your faith in the company will be rewarded in the next couple of years. I take this opportunity to thank all the shareholders for their continued faith in the Company and the understanding they have shown during the past two years of transformation. I am sure that with your support and faith in the management, we can scale new heights together.

Sooraj C.K.
Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Sooraj C.K

Managing Director

Mr Pradeep Viswambharan

Director

Dr K. Balasubramani

Independent Director

Mr Bobichen Jacob Thomas

Independent Director

Mr Sudeepa Nagasampagi

Independent Director

Registered Office

D-207, Second Floor

International Infotech Centre

Belapur Railway Station Complex

CBD Belapur, Navi Mumbai

Mumbai 400 614

Registrar & Transfer Agents

Sharex Dynamics (India) Private Limited

17-B, Dena Bank Building, 2nd Floor

Horniman Circle, Fort, Mumbai 400 001

Company Secretary & Compliance Officer

Ms. Jayashree C. O.

Auditors

M/s. DMKH & Co, Chartered Accountants

Bankers

Exim Bank, ICICI Bank, Axis Bank,

Federal Bank, Dhanalakshmi Bank

Citi Bank NA, London

FACILITIES**Trivandrum**

233/241, "NILA"

Technopark Campus

Trivandrum, Kerala 695 581

Bangalore

S&S Business Centre, 224, 1st Main Road,

Domlur 2nd Stage, Bangalore 560 071

Hyderabad

Babu Khan Mall, Somajiguda

Hyderabad 500 016

SUBSIDIARY COMPANIES**INDIA****Thunga Software Private Limited**

S&S Business Centre, 224,

1st Main Road, Domlur 2nd Stage,

Bangalore 560 071

Accentia Oak Technologies Pvt Ltd

4th Floor, Babu Khan Mall,

Somajiguda, Hyderabad 500 016

Accentia Education Services P Ltd

International Infotech Centre

CBD Belapur, Navi Mumbai

Mumbai 400 614

USA**GSR Physicians Billing Services Inc.**

10096 Griffin Road,

Cooper City, Florida 33328

GSR Systems Inc.

7481 W. Oakland Park Blvd.

Suite 302, Lauderhill, Florida 33319

Denmed Inc.

1485 20th St SE

Salem, Oregon 97302

Oak Technologies Inc.

50 Cragwood Road, Ste 104

South Plainfield, NJ 07080-2435

UK

8 The Square, Stockley Park

Uxbridge UB11 1FW,

United Kingdom

UAE

RAK Free Trade Zone

P.O Box 10055, Ras Al Khaimah,

United Arab Emirates

DIRECTORS' REPORT

Distinguished Members,

It is a great privilege for the Directors to present the Twenty Third Annual Report of the Company along with Audited Annual accounts for the financial year 2013-14.

A. Performance of the Company

The healthcare segment in the US is compelled to shift from conventional Medical Transcription to Electronic Medical Records (EMR). Though the reforms open up tremendous opportunities for growth, the above mentioned transition has temporarily affected the productivity. However, the Company is carrying out the operational activities of the Company in a better manner.

B. Financials of the Company

The financial highlights of the Company are given below:

Financial Results (Stand Alone)

₹ in lakhs

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Total Income	3,915	18,236
Less: Total Expenditure	5,538	16,404
Profit Before Tax	-1,622	1,832
Less: Provision of tax	-59	609
Profit after Tax	-1,562	1,223

Financial Results (Consolidated)

₹ in lakhs

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Total Income	11,262	31,136
Less: Total Expenditure	13,649	27,473
Profit before Tax	-2,386	3,664
Less: Provision of tax	-125	739
Profit after Tax	-2,507	2,925

C. Dividend

In view of the need to conserve funds for plough back, the Directors feel it is desirable not to recommend any dividend on equity shares for the financial year.

D. Share Capital

As on date of this report the Authorized capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crore only) divided into 2,50,00,000 equity shares of Rs. 10/- each. The total issued, subscribed and paid up capital of the Company as on the date of the report is Rs. 170,245,700/- (Rupees Seventeen Crores Two Lacs Forty Five Thousand Seven Hundred Only) divided into 17024570 equity shares of s.10/- each.

E. Constitution of the Board

The Board of Directors is duly constituted and the present structure is as follows:

Name of Directors	Designation	Date of Appointment
1 Sooraj C. K.	Managing Director	22.03.2006
2 Pradeep Viswambharan	Whole Time Director	28.03.2006
3 Dr K. Balasubramani	Independent Director	20.10.2014
4 Bobichen Jacob Thomas	Independent Director	20.10.2014
5 Sudeepa Nagasampagi	Independent Director	20.10.2014

During this year, Directors Mr. Kezer Abbas Kharawala and Mr Sreedhar Mukund Parande had resigned from the Board with effect from 31st March, 2014.

F. Fixed Deposits

Your company has not accepted any public deposits within the meaning of provisions of section 58A of the Companies act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 and as such no amount of principal or interest are outstanding as on the balance sheet date.

G. Management Discussion and Analysis

The Management Discussion and Analysis including the result of operations of the Company for the year under review, as required under Clause 49 of the listing agreement with the stock exchange is appended to this report.

H. Corporate Governance

Your directors affirm their commitments to the corporate governance standards prescribed by the Securities and Exchange Board of India (SEBI). A report

on the Corporate Governance with Management Discussions and Analysis as required under Clause 49 of the listing Agreement forms part of this report.

The requisite certificate from the Auditors of the Company confirming compliance with conditions under aforesaid Clause 49 is attached to this report.

I. Auditors

M/s. DMKH & Co, Chartered Accountants, Mumbai, the Statutory Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting and is eligible for re- appointment. The Company has received confirmation from the Auditors that their re-appointment will be within the limits prescribed under section 224(1 B) of the Companies Act, 1956. The necessary resolution is being placed before the shareholders for approval.

J. Auditor's Report

The report of the Auditors of the Company and notes to the accounts are self explanatory and therefore do not call for any further comments and may be treated as adequate compliance of Section 217(3) of the Companies Act, 1956.

K. Directors' Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

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

L. Particulars Of Employees

During the period under review, no employee of the Company has received remuneration at a rate, which,

in the aggregate was more than Rs. 5,00,000/- or more per month or Rs.60,00,000/- or more per annum and hence there was no requirement of a statement under sub section (2A) of the Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

M. Conservation Of Energy

Your Company's operations do not involve large scale use of energy. The disclosure of particulars under this head is not applicable as your Company operates in the Service sector. Although your Company is not a largescale energy user, it acknowledges the concept of conservation of energy.

N. Foreign Exchange Earnings & Outgo

The foreign exchange earnings of the Company for the year is Rs. 3,905 lakhs as against Rs.12,624 lakhs of the previous year and the foreign exchange outgo of the Company for the year is Rs. 615 Lakhs as against Rs. 3,301 of the previous year.

O. Corporate Social Responsibility

Your Company is known not only for its commitment towards its clients but also for its commitment to the society. Social commitment is becoming a part of Accentia culture.

Through the charitable foundation, Accentia Candle Light Charitable Trust, Accentia and its stakeholders contribute a part of their earnings, acquired knowledge, and efforts for the good of the underprivileged. Firmly anchored in our corporate values, it is reflected in our daily activities.

Accentia's current initiatives focus on facilitating underprivileged children's education, healthcare, and support for palliative care for children under the age of 18. Accentia also helps various terminally ill patients with healthcare and medical facilities and extends its support to various organizations who reach out these underprivileged people.

P. Subsidiary Companies

Accentia is having 8 number of subsidiaries, namely;

1. Thunga Software Private Limited
2. Accentia Oak Technologies Pvt Ltd
3. Accentia Education Services Pvt Ltd
4. GSR Physicians Billing Services Inc.
5. GSR System Inc.
6. Denmed Inc.

7. Oak Technologies Inc.
8. Accentia Technologies FZE

In terms of the general exemption given by the Ministry of Corporate Affairs, Government of India (MCA) through General Circular No. 2/2011 and Press Note 3/2011, the Board of Directors has accorded their consent to the Company not to attach the specified particulars of its Subsidiary Companies with the balance sheet of the Holding Company.

Q. Acknowledgement

Your Directors place on record their gratitude to the Central and State Governments, and the Company's Bankers for their assistance, co-operation and encouragement they have extended to the Company.

Your Directors would like to place on record their deep

sense of appreciation and thanks to Shareholders, investors, customer, vendors and employees for their valuable trust in the company's performance and for their support and encouragement, enabling the company to venture in to various upcoming projects and spread its wings globally.

By and on behalf of the Board
Accentia Technologies Limited

Sooraj C. K.
Managing Director

Pradeep Viswambharan
Wholetime Director

Navi Mumbai
November 25, 2014

CERTIFICATIONS AND REPORTS

CEO Certification

I, Sooraj C. K., Managing Director of M/s. Accentia Technologies Limited, to the best of my knowledge and belief, certify that:

- (a) We have reviewed the consolidated and stand alone Balance Sheet and the Profit and Loss account for the year ended 31.03.2014 and all its schedule, notes to accounts as well as the cash flow statement for that year and the Directors' report for that year and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violating the Company's code of conduct.
- (c) We accept responsibility for establishing and

maintaining internal controls for the financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are ware and the steps they have taken or propose to take to rectify these deficiencies.

- (d) We have indicated to the Auditors and the Audit Committee
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Navi Mumbai
November 25, 2014

Sooraj C.K
Managing Director