



K. GOPALAKRISHNAN & CO
CHARTERED ACCOUNTANTS

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TO
THE BOARD OF DIRECTORS
ACROPETAL TECHNOLOGIES LIMITED
BANGALORE

LIMITED REVIEW OF UNAUDITED FINANCIAL RESULTS

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of Acropetal Technologies Limited ("The Company") for the third Quarter ended December 31st 2014. We have relied on the financials pertaining to the subsidiary companies as submitted by the company for consolidation purposes. We have not reviewed the financials of the subsidiary companies. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this financial Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and, thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with Accounting Standards referred to in Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. As explained in foot note to the financial statements, the company is undergoing a problem in facing the going concern issue, here we mention events that may cast doubt about going concern assumption as follows (as per para 10 of SA 570 "Going Concern").

- a) The company has borrowings of Rs.89,59,38,298/- which became immediately repayable in full on 31st Dec 2014. The entity is already in breach of its agreed overdraft and the bank has refused to renew the borrowings. The entity has also been unsuccessful in applying to other financial institutions for re-financing. It is highly unlikely that the entity will be successful in renewing or re-financing the Rs. 89,59,38,298/- borrowings.
- b) Company is facing difficulties in paying statutory dues such as Service tax and TDS amount of Rs.3,71,44,400 and Rs 3,66,68,559 on 31.12.2014 out of which Rs.2,66,44,656/- and Rs. 309,72,571/-outstanding for more than one year.
- c) It is a big challenge for the company to recover debts from its customers including exports, which is outstanding for more than one year (Annexure enclosed).





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5. We further report that The company has not provided Depreciation as per The Companies act, 2013 during this third quarter ended.

6. The company has not consolidated the financials of M/S Kinfotech private Limited, an associate company in which the company held 48% of Equity shares.

7. Further, M/S Kerala state Electronics development corporation Limited (KELTRON), one of the Domestic customer of the company has rejected invoices worth Rs.1,75,50,466/- due to non issuance of UID cards by the UID Authority. The company has not accounted for this in the books during the year 2013-14, the reasons that the discussion on the service is happening with the UID Authority. The final call will be taken on this before the end of the financial year 2015. However we are not sure of the collectability of this amount from the customer.

8. Further, we also report that we have traced the number of shares as well as the percentage shareholdings in respect of aggregate amount of public shareholdings and the number of shares as well as the percentage of shares pledged/encumbered shares and non-encumbered shares in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements from the detail furnished by the Management and the particulars relating to undisputed investor complaints from the details furnished by the Registrars.

For K Gopalakrishnan & Co.,
Chartered Accountants

FRIN: 0096005



K. Gopalakrishnan
Proprietor
Membership No. 025421

Place: Bangalore
Date: 05th February 2015