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LIMITED REVIEW OF UNAUDITED FINANCIAL RESULTS

TO
THE BOARD OF DIRECTORS
ACROPETAL TECHNOLOGIES LIMITED
BANGALORE

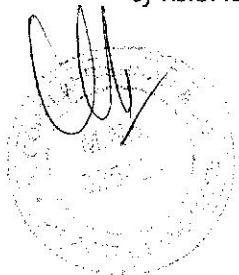
1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **Acropetal Technologies Limited ("The Company")** for the Second Quarter ended Sep 30th 2015. We have relied on the financials pertaining to the subsidiary companies as submitted by the company for consolidation 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.103.93 Crores (including accrued interest) which became immediately repayable in full as on 30th Sep 2015. The entity is already in breach of its agreed terms of the overdraft from banks and the banks has refused to renew the borrowings. The entity has also been unsuccessful in applying to other financial institutions for re-financing or rescheduling/Corporate debt restructuring. It is highly unlikely that the entity will be successful in renewing or re-financing the Rs.103.93 Crores borrowings.
- b) Company is facing difficulties in paying statutory dues such as Service tax and TDS amount of Rs.3.42 crores and Rs.3.73 crores respectively on 30.09.2015.



- c) *The Company has accumulated losses and its networth has been substantially eroded, the company incurred a net loss during the Second quarter (Rs.5.35 crores) and previous year (Rs.178.33 crores) and, the Company's current liabilities (Rs.162.50 crores) exceed its current assets (Rs.8.81 crores) as on 30th Sep 2015. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis.*

5. 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, for the reasons that the discussion on the service is happening with the UID Authority. There has been no change in the status since our limited review report dated 06th Nov 2015 for the quarter ended Sep 2015. In view of the above we are of the opinion that it is unlikely to be approved.

6. The company has not accepted deposits from the public. There are balances outstanding in Advance from customers for a period more than 365 days from the date of acceptance, which will be classified as deposits as per sec 2(31) read with Rule 2(c)(xii) of the Companies act, 2013. There are advances from MD for Rs. 2.40 crores for which we were not provided certificate from him that it is not advanced out of borrowed money and hence we are unable to report that whether it is deposit u/s 2(31) or otherwise.

7. 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
FRN: 0096005


K.Gopalakrishnan
Proprietor
Membership No. 025421

Place: Bangalore
Date: 06th November 2015