KPIT

2014-15

Financial Statement of Subsidiaries

Technologies for a better world

Content

KPIT Technologies (UK) Limited

Registered Office: Gautam House, 1-3 Shenley Avenue, Ruislip Manor, Middlesex, HA4 6BP.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present their strategic report for the year ended 31 March 2015.

REVIEW OF BUSINESS

The Directors are pleased to report that 2015 was a successful year for the company.

The economic recovery in the region is taking much longer than expected and is likely to impact some business verticals in the coming financial year. However, in the UK, the economic scenario has improved in 2014-15. As compared to the previous year, the region is showing signs of stability, but the business cycles still remain to be long. Because of uncertain economic scenario, foreign exchange fluctuations also pose a risk to company's business. The company was able to expand business with its existing customer base in UK and Europe and also acquired some new customers in the region. The company has shown substantial growth in FY 2014-15 as compared to the previous financial year and we expect the company to perform well despite the difficulties and be able to achieve the revenue targets for FY 2015-16.

The results for the year and financial position of the company are as shown in the annexed financial statements.

ON BEHALF OF THE BOARD

Pankaj Sathe

Director

23 April 2015

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

CHANGE OF NAME

The company passed a special resolution on 22 July 2014 changing its name from KPIT Infosystems Limited to KPIT Technologies (UK) Limited.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was marketing and sale of computer software products and allied IT enabled services, operating in conjuction with KPIT Technologies Limited, the parent company which is registered in India.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2014 to the date of this report.

K P Patil

D Koshal

P Sathe

M O'Connor

Other changes in directors holding office are as follows:

P Sharma - resigned 1 July 2014

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial instruments comprise cash and liquid resources, various items such as trade debtors, trade creditors etc that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are liquidity risk, interest rate risk, credit risk, and market risk.

Liquidity risk

The company has to manage the financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Credit risk

The company financial asset is cash. It is exposed to credit risk in respect of its cash balances as it uses only one financial institution in the UK.

Foreign exchange risk management

Foreign currency transaction exposures arising on internal and external trade flows are partially hedged. The company's objective is to minimise the exposure of overseas trade to transaction risk by matching local currency income with local currency costs where possible, as well as maintaining multi-currency accounts to minimise conversions.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

Pankaj Sathe

Director

23 April 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

KPIT TECHNOLOGIES (UK) LIMITED

We have audited the financial statements of KPIT Technologies (UK) Limited for the year ended 31 March 2015 on pages seven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- **give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;**
- **have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and**
- **have been prepared in accordance with the requirements of the Companies Act 2006.**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- **adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or**
- **the financial statements are not in agreement with the accounting records and returns; or**
- **certain disclosures of directors' remuneration specified by law are not made; or**
- **we have not received all the information and explanations we require for our audit.**

S Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

23 April 2015

BALANCE SHEET

31 MARCH 2015

		2015		2014	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		13,129		11,624
Investments	9		9,137,633		7,246,721
			9,150,762		7,258,345
CURRENT ASSETS					
Debtors	10	8,019,480		5,364,086	
Cash at bank		1,599,875		1,252,559	
		9,619,355		6,616,645	
CREDITORS					
Amounts falling due within one year	11	7,653,239		6,065,253	
NET CURRENT ASSETS			1,966,116		551,392
TOTAL ASSETS LESS CURRENT LIABILITIES			**11,116,878**		**7,809,737**
CAPITAL AND RESERVES					
Called up share capital	13		10,215,966		8,246,266
Profit and loss account	14		900,912		(436,529)
SHAREHOLDERS' FUNDS	**19**		**11,116,878**		**7,809,737**

The financial statements were authorised for issue by the Board of Directors on 23 April 2015 and were signed on its behalf by:

Pankaj Sathe

Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
	Notes	£	£
TURNOVER	2	**21,618,675**	**14,162,748**
Cost of sales		17,148,402	11,541,972
GROSS PROFIT		**4,470,273**	**2,620,776**
Administrative expenses		2,859,828	2,329,230
OPERATING PROFIT	4	**1,610,445**	**291,546**
Interest receivable and similar income		6,659	62
		1,617,104	291,608
Interest payable and similar charges	6	10,944	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**1,606,160**	**291,608**
Tax on profit on ordinary activities	7	268,719	4,959
PROFIT FOR THE FINANCIAL YEAR		**1,337,441**	**286,649**

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
	Notes	£	£
Net cash inflow			
from operating activities	1	536,369	377,301
Returns on investments and			
servicing of finance	2	(4,285)	62
Taxation		(258,565)	(9,062)
Capital expenditure			
and financial investment	2	(1,895,903)	(3,258)
		(1,622,384)	365,043
Financing	2	1,969,700	-
Increase in cash in the period		**347,316**	**365,043**
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		347,316	365,043
Change in net funds resulting from cash flows		347,316	365,043
Movement in net funds in the period		347,316	365,043
Net funds at 1 April		1,252,559	887,516
Net funds at 31 March		**1,599,875**	**1,252,559**

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Operating profit	1,610,445	291,546
Depreciation charges	3,486	5,287
Amounts owed to group undertakings	124,605	2,020,553
Increase in debtors	(2,065,388)	(2,512,889)
Increase in creditors	863,221	572,804
Net cash inflow from operating activities	**536,369**	**377,301**

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	6,659	62
Interest paid	(10,944)	-
Net cash (outflow)/inflow for returns on investments and servicing of finance	**(4,285)**	**62**
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4,991)	(3,360)
Purchase of fixed asset investments	(1,890,912)	-
Sale of tangible fixed assets	-	102
Net cash outflow for capital expenditure and financial investment	**(1,895,903)**	**(3,258)**
Financing		
Share issue	1,969,700	-
Net cash inflow from financing	**1,969,700**	**-**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/14	Cash flow	At 31/3/15
	£	£	£
Net cash:			
Cash at bank	1,252,559	347,316	1,599,875
	1,252,559	347,316	1,599,875
Total	**1,252,559**	**347,316**	**1,599,875**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents amounts receivable for services provided net of VAT. Revenue on perpetual software licences is recognised on approval by the customer providing there are no unfulfilled obligations.

Revenue for software services is recognised on the basis of services rendered. In case of time & material contracts, invoices are raised on the basis of customer approved timesheets. In case of fixed price projects, invoices are raised for prescribed milestones achieved on the basis of acceptance / sign-off received from customer.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 10% on cost
Fixtures and fittings	- 15% on cost
Plant & machinery	- 33.33% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Going concern

The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Directors consider it appropriate to adopt the going concern basis in preparing the annual financial statements.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2015	2014
	£	£
United Kingdom	16,338,920	11,630,109
Europe	4,050,211	2,514,108
United States of America	1,226,858	-
Asia	2,686	18,531
	21,618,675	**14,162,748**

3. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	6,738,167	4,828,291
Social security costs	579,030	489,043
	7,317,197	**5,317,334**

The average monthly number of employees during the year was as follows:

	2015	2014
Marketing, Sales & Delivery	129	98
Administration	5	5
	134	**103**

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015	2014
	£	£
Other operating leases	63,725	67,979
Depreciation - owned assets	3,486	5,287
Foreign exchange differences	23,324	53,987
Directors' remuneration	**415,160**	**533,756**
Information regarding the highest paid director is as follows:		
Emoluments etc	**390,264**	**320,418**

5. **AUDITORS' REMUNERATION**

	2015	2014
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	**12,600**	9,100

Legal and professional fees include £25,900 for the provision of a non- audit services i.e.: payroll and taxation compliance.

6. **INTEREST PAYABLE AND SIMILAR CHARGES**

	2015	2014
	£	£
Bank interest	**10,944**	-

7. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax	268,719	4,959
Tax on profit on ordinary activities	**268,719**	**4,959**

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2015	2014
	£	£
Profit on ordinary activities before tax	**1,606,160**	**291,608**
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 20%)	337,294	58,322

Effects of:

Adjustments to tax charge in respect of previous periods	-	4,946
Excess of depreciation over capital allowance	(615)	142
Expenses not deductible for tax purposes	-	54
purposes		
Tax losses utilised	(77,148)	(58,505)
Over/Under provision of tax	9,188	-
Current tax charge	**268,719**	**4,959**

8. **TANGIBLE FIXED ASSETS**

	Short leasehold	Plant and machinery	Fixtures and fittings	Totals
	£	£	£	£
COST				
At 1 April 2014	1,023	27,243	6,746	35,012
Additions	-	4,991	-	4,991
Disposals	-	(1,634)	-	(1,634)
At 31 March 2015	**1,023**	**30,600**	**6,746**	**38,369**
DEPRECIATION				
At 1 April 2014	1,023	17,738	4,627	23,388
Charge for year	-	2,628	858	3,486
Charge written back	-	(1,634)	-	(1,634)
At 31 March 2015	**1,023**	**18,732**	**5,485**	**25,240**
NET BOOK VALUE				
At 31 March 2015	**-**	**11,868**	**1,261**	**13,129**
At 31 March 2014	**-**	**9,505**	**2,119**	**11,624**

9. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings
	£
COST	
At 1 April 2014	7,246,721
Additions	1,890,912
At 31 March 2015	**9,137,633**
NET BOOK VALUE	
At 31 March 2015	**9,137,633**
At 31 March 2014	**7,246,721**

The company's investments at the Balance Sheet date in the share capital of companies include the following:

KPIT Technologies GmbH

Country of incorporation: Germany

Nature of business: IT services

	%		
Class of shares:	**holding**		
Ordinary	**100.00**		
		31/3/15	**31/3/14**
		£	**£**
Aggregate capital and reserves		5,330,410	3,863,147
Profit for the year		**253,133**	**452,208**

KPIT Technologies (UK) Limited is acting as a 'Guarantor'. As per the agreement the guarantor shall pay all such amounts payable by KPIT Technologies GmbH as though the guarantor instead of KPIT Technologies GmbH was expressed to be the principal debtor.

The financial statements contain information about KPIT Technologies (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 399-402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the group.

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015	2014
	£	£
Trade debtors	7,167,283	5,148,098
Amounts owed by group undertakings	747,530	147,370
Other debtors	83,324	43,687
Tax	889	11,043
Prepayments and accrued income	20,454	13,888
	8,019,480	**5,364,086**

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015	2014
	£	£
Amounts owed to group undertakings	5,527,686	4,802,921
Social security and other taxes	164,621	122,968
VAT	671,737	457,318
Other creditors	361,785	199,237
Accrued expenses	927,410	482,809
	7,653,239	**6,065,253**

12. **OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2015	**2014**
	£	£
Expiring:		
Between one and five years	**45,000**	**45,000**

13. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015	2014
			£	£
6,421,170	Ordinary	1	10,215,966	8,246,266

The issued share capital of the company was increased by 1,969,700 shares of £1 each for working capital purposes to facilitate the increased investment in KPIT Technologies GmbH.

14. **RESERVES**

	Profit and loss account
	£
At 1 April 2014	(436,529)
Profit for the year	1,337,441
At 31 March 2015	**900,912**

15. **ULTIMATE PARENT COMPANY**

The ultimate controlling party and ultimate and immediate parent company is KPIT Technologies Limited, a company registered in India.

KPIT Technologies Limited is the parent undertaking of the only group for which consolidated financial statements are prepared. These financial statements may be obtained by the public form KPIT Campus, Plot 35 & 36, Rajiv Gandhi InfoTech Park, Hinjewadi, Pune - 411 057, India.

16. OTHER FINANCIAL COMMITMENTS

The company has created a Rent Deposit Deed dated 28 August 2008, for securing £ 12,337.50 due or to become due from the company to the lessor of the company premises.The lease on which has been renewed on 9th August 2013.

17. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 March 2015 and 31 March 2014:

	2015	2014
	£	£
P Sathe		
Balance outstanding at start of year	7,000	10,000
Amounts repaid	(3,000)	(3,000)
Balance outstanding at end of year	**4,000**	**7,000**

18. RELATED PARTY DISCLOSURES

In accordance with Financial Reporting Standard No. 8 " Related Party Transactions", transactions with other group undertakings have not been disclosed in these financial statements.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
Profit for the financial year	1,337,441	286,649
Issue of Ordinary Shares	1,969,700	-
Net addition to shareholders' funds	3,307,141	286,649
Opening shareholders' funds	7,809,737	7,523,088
Closing shareholders' funds	**11,116,878**	**7,809,737**

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	2015		2014	
	£	£	£	£
Sales		21,618,675		14,162,748
Cost of sales				
Purchases	11,510,244		7,724,185	
Wages	5,383,345		3,545,912	
Social security	254,813		271,875	
		17,148,402		11,541,972
GROSS PROFIT		4,470,273		2,620,776
Other income				
Deposit account interest	1,718		62	
Interest on Intercompany loan	4,941		-	
		6,659		62
		4,476,932		2,620,838
Expenditure				
Directors' salaries	415,160		533,756	
Directors' social security	55,096		70,472	
Wages	939,662		748,623	
Social security	269,121		146,696	
Rent	63,725		67,979	
Rates and water	18,723		18,379	
Insurance	5,700		1,676	
Light and heat	4,456		6,887	
Office expenses	4,071		4,233	
Telephone	58,412		55,151	
Post and stationery	13,165		11,372	
Travelling	714,055		478,454	
Repairs and renewals	3,057		902	
Staff Welfare	6,891		17,343	
Training expenses	15,022		-	
Recruitment expenses	77,922		44,053	
Subscriptions	45,696		18,318	
Sundry expenses	17		-	
Loss on disposal of assets	-		102	
Legal and professional fees	60,567		68,738	
Auditors' remuneration	12,600		9,100	
Foreign exchange losses	23,324		53,987	
Marketing expenses	26,974		29,068	
Entertainment	-		271	
Bad debts	6,853		(76,035)	
		2,840,269		**2,309,525**
Carried forward		1,636,663		311,313
Brought forward	1,636,663		311,313	
Finance costs				
Bank charges	16,073		14,418	
Bank interest	10,944		-	
		27,017		**14,418**
		1,609,646		296,895
Depreciation				
Plant and machinery	2,628		4,449	
Fixtures and fittings	858		838	
		3,486		**5,287**
NET PROFIT		**1,606,160**		**291,608**

KPIT Technologies GmbH

Registered Office: Adams-Lehmann-Str. 109, 80797 Munich, Germany

Management Report for the fiscal year 2014-2015

Your Management is pleased to present herewith the Tenth report on the operations of the Company together with the accounts for the year ended March 31, 2015.

Fundamental information about the Company

The Company provides Engineering & SAP related services to its clients in Germany. The company operates primarily under two industry verticals: Automotive & Manufacturing. Customers include Automotive OEMs and Tier 1s. In the Manufacturing vertical, customers are primarily mid to large size German manufacturing companies and German subsidiary of international manufacturing companies. This vertical focus strategy along with the investments in industry specific solutions helped us in bringing scalability in our existing strategic customers. It also helped us close large deals in the target verticals. During the year we have not only focused on growth but also have tried to identify and understand the new areas where we can deliver value to our customers in line with their changing business priorities. This had aided us in getting engaged in more transformational deals.

Solutions offered to automotive sector are Software products in AUTOSAR, Infotainment & Diagnostic tooling (ODX/OTX). We started development on the world's First AUTOSAR stack completely compatible to R4.0.3 and developed according to the Quality Management requirements of ISO26262. This Basic Software (BSW) stack is most efficient in implementing safety critical applications for Powertrain, Chassis and Body Electronics. Globally, over 20 OEMs and Tier1s worldwide leverage our in-vehicle networking expertise, superior quality and highly competent local support across the globe to co-innovate and develop their AUTOSAR based Electrical / Electronic (E/E) systems.

We also offer engineering services around development and testing of Electronic Control Units (ECUs). The ECUs are typically in Powertrain, Body & Chassis. We have been working towards creation of non-linear solutions in this domain which would also contribute in increasing the overall IP based revenues for the company.

Solutions offered to manufacturing sector are primarily consulting & support services around SAP. Offerings include SAP ERP Implementation and upgrades, Business Intelligence & Analytics, Customer Relationship Management (CRM), Human Capital Management (HCM), SAP SuccessFactors, SAP NetWeaver and SAP SME solutions.

The main offices of the company are located in Munich. The company has a secondary office in Frankfurt. The Company has implemented global MPLS connectivity to connect to KPIT offices around the world and deployed Telepresence solution (High Definition Video Conferencing). This has helped company to demonstrate global capabilities to customers seamlessly.

Report on Economic Position

Macro-economic and Sector-specific Environment

As we started the year FY2015, macro-economic conditions remained volatile. During the year, growth was slower than expected. As we progressed further into the year, challenges started surfacing across the industry. Growth was seen in patches from a few industry verticals, but was sporadic. The Euro zone crisis further deepened. Globally businesses have been performing in a cautious manner since the 2008 economic meltdown and this impact has still been felt across the Engineering & IT industry as well. However, the industry has rapidly evolved and it has become quite agile in terms of the way business is conducted, responding to the fast changing environment and providing enhanced value addition to the customers.

Course of Business

The year also witnessed transformation of our industry from being a mere service provider which understands client's needs and delivers solutions at a lower cost, to a consultative partner that can provide transformative solutions. These offerings could ease down the customer issues not only in terms of cost savings, but also in terms of time-to-market, profitability and cash flows.

The Company also started to make a concentrated effort towards its Products Business and Services based on these Products. In 2015-16, the Company plans to build this line of business further.

Financial Position

The Company recorded total revenue of Euro 17.44 Million during the year as compared to Euro 16.35 Million in the previous year. Further, it reported a Net Profit of Euro 0.21 Million as compared to a Net Profit of Euro 0.39 Million in the previous year.

The decrease in profitability is primarily due to the investments the company has made to develop its ability to deliver the projects onsite. Other Costs including Staff Costs and Other Operating expenses have shown a proportionate change which is commensurate with the changed nature of operations of the Company.

During the year, the Company incurred Euro 0.13 Million towards income tax expenses.

The Company recorded the total assets of Euro 12.61 Million during the year as compared to Euro 9.72 Million in the previous year. The increase in Total Assets is because of substantial investment in Non-current Financial Assets. The Company had Net Assets of Euro 7.29 Million as of 31st March 2015.

The Net Current Assets have decreased by Euro 0.36 Million as compared to the previous year. Out of the total current liabilities of Euro 4.65 Million, Euro 4.21 Million (91%) are relating to amounts payable to Affiliated Group Companies for services purchased from them on the basis of Revenue Model. Other Current Liabilities and Provisions of Euro 1.11 Million are adequately covered with the Company's Cash Balance of Euro 0.95 Million and Trade Receivables of Euro 5.64 Million. On an Overall Basis, the Company has a Current Ratio of 1.39 which is almost similar as compared to the previous year (1.48).

The Company does not have any Long-term Debt and is fully funded through Shareholders' Equity. The Company's Sole Shareholder, KPIT Technologies (UK) Limited is committed to providing all the necessary financial support to the Company.

The company did not incur any capital expenditure of material nature during the year. However, the Company completed the acquisition of HD Solutions GmbH, a Company based in Nuremberg, which offers PLM Consultancy, in November 2014.

Report on Post Balance Sheet Events

The Company does not have any transactions of material nature to report under this section.

Report on Expected Developments

In FY2015-16, the Company expects to focus on increasing the revenues (topline) further and also improve profitability. The Company is targeting the Revenues in excess of Euro 19.00 Million and a Net Profit in excess of Euro 1.00 Million. The Company aims to achieve this by focusing on offerings in niche areas, as well as by expanding the customer base and stringent Cost Controls. This would translate into an even improved Financial Position for the Company.

The Company is also working towards improving its Cash Flows by aiming at reducing the time for realizing the invoices from customers.

With the Global Economy stabilizing and looking upwards, the Company feels that the Business Environment is well suited for its offerings and it is confident to exploit the improvement in business conditions to the fullest possible extent.

Report on Opportunities and Risks

The economic climate in EU countries remains uncertain and the buying of services by Automotive OEMs & Tier1s continues to remain challenging. However, the main customer base of the company is holding well and the company is able to acquire new customers in the region. We expect the company to perform well despite the difficulties and be able to achieve the revenue targets for FY2015-16. Especially in the areas of AUTOSAR & vehicle diagnostics business potentials look quite stable which gives a good base for further growth. The Company is also positioned well to exploit the opportunities in Auto Sector with its value added offerings.

Employees

As on March 31, 2015, the Company had total of 136 employees as compared to 89 as at the end of previous year.

For and on behalf of the Board of Directors

KPIT Technologies GmbH

Pankaj Sathe

Managing Director

Munich, Germany

Date:

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of the [Company KPIT Technologies GmbH, Munich] for the financial year from April 1, 2014 to March 31, 2015. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § [Article] 317 HGB [„Handelsgesetzbuch": „German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements (and supplementary provisions of the shareholder agreement/articles of incorporation) and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development."

Munich, July 16, 2015

TAP Dr. Schlumberger Krämer Pothorn & Partner mbB

Wirtschaftsprüfungsgesellschaft

Steuerberatungsgesellschaft

[Original German version signed by:]

Krämer

Wirtschaftsprüfer

[German Public Auditor]

Balance sheet

as at 31 March 2015

Assets		Mar 31, 2015		Mar 31, 2014	Equity and liablities		Mar 31, 2015		Mar 31, 2014
		EUR	EUR	EUR			EUR	EUR	EUR
A.	**Fixed assets**				A.	**Equity**			
I.	**Intangible assets**				I.	**Called up share capital**			
1.	Concessions, industrial and similar rights and				1.	Capital subscribed	10,000,000.00		10,000,000.00
	licenses in such rights and assets	13,402.63		9,108.86	2.	Outstanding contributions - not called up	-2,338,253.00		-4,738,253.00
2.	Payments on account	158,556.24		0.00				7,661,747.00	5,261,747.00
		171,958.87		9,108.86	II.	**Capital reserve**		386,511.59	386,511.59
II.	**Tangible assets**				III.	**Profit/loss carried forward**		-972,305.77	-1,362,877.90
1.	Other equipment, operating and office equipment	224,928.53		94,150.48	IV.	**Net profit/loss for the year**		212,597.74	390,572.13
III.	**Non-current financial assets**							7,288,550.56	4,675,952.82
1.	Investments in affiliated companies	4,824,259.80		2,041,600.00					
2.	Loans to affiliated companies	0.00		100,000.00	B.	**Provisions**			
		4,824,259.80		**2,141,600.00**	1.	Tax provisions	0.00		0.00
					2.	Other provisions	676,682.71		626,230.57
			5,221,147.20	2,244,859.34				676,682.71	626,230.57
B.	**Current assets**				C.	**Liablities**			
I.	**Inventories**				1.	Advance payments received on account of orders	147,868.38		0.00
1.	Work in process	270,495.97		96,284.57	2.	Trade payables	7,141.90		138,322.35
II.	**Receivables and other assets**				3.	Liabilities to affiliated companies	4,211,121.25		4,015,186.00
					4.	Other liabilities	281,499.09		261,984.07
1.	Trade receivables	5,643,754.66		5,321,293.60		- thereof from taxes: EUR 266,577.47 (previous year: EUR 261,832.01)			
2.	Receivables from affiliated companies	321,857.00		541,706.13		- thereof for social security: EUR 13,045.38 (previous year: EUR 152.06)			
3.	Other assets	205,743.16		565,199.14				4,647,630.62	4,415,492.42
		6,171,354.82		6,428,198.87					
III.	**Cash in hand, bank balance and checks**	945,865.90		937,484.58					
			7,387,716.69	7,461,968.02					
C.	**Prepaid expenses**		4,000.00	10,848.45					
			12,612,863.89	**9,717,675.81**				**12,612,863.89**	**9,717,675.81**

Income Statement for the Period

from April 1, 2014 to March 31, 2015

		2014/2015		2013/2014
		EUR	EUR	EUR
1.	Revenues	17,263,771.70		16,345,358.38
2.	Increase or decrease in work in process	174,211.40		-23,363.43
			17,437,983.10	16,321,994.95
3.	Other operating income		274,583.56	405,026.08
4.	Cost of materials			
	a) Cost of purchased services	-6,662,166.08		-8,504,697.00
			-6,662,166.08	-8,504,697.00
5.	Staff costs			
	a) Wages and salaries	-6,741,707.18		-4,916,929.14
	b) Social security and pension costs	-1,059,246.98		-760,837.58
			-7,800,954.16	-5,677,766.72
6.	Depreciation and amortisation			
	a) Amortisation of intangible assets and depreciation of property, plant and equipment	-71,789.58		-64,217.70
			-71,789.58	-64,217.70
7.	Other operating expenses		-2,827,148.53	-1,944,407.48
8.	Other interest and similar income		2,326.16	11,421.00
	- thereof from affiliated companies: EUR 1,857.00 (previous year: EUR 11,421.00)			
9.	Interest and similar expenses		-6,712.00	0.00
	- thereof to affiliated companies: EUR -6,712.00 (previous year: EUR 0.00)			
10.	**Profit from ordinary operations**		**346,122.47**	**547,353.13**
11.	Taxes on income		-133,496.00	-156,781.00
12.	Other taxes		-28.73	0.00
13.	**Net profit/loss for the year**		**212,597.74**	**390,572.13**

Appendix to the notes

Fixed Assets Schedule as at March 31, 2015

		Acquisition- and production costs					Accumulated depreciation				Net block	
		April 1, 2014	Additions	Reclassifi-cation	Deductions	March 31, 2015	April 1, 2014	Additions	Deductions	March 31, 2015	March 31, 2015	March 31, 2014
		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I.	**Intangible Assets**											
1.	Consessions, industrial and similar rights and licenses in such rights and assets	59,334.39	12,938.06	0.00	0.00	72,272.45	50,225.53	8,644.29	0.00	58,869.82	13,402.63	9,108.86
2.	Payments on account	0.00	158,556.24	0.00	0.00	158,556.24	0.00	0.00	0.00	0.00	158,556.24	0.00
		59,334.39	**171,494.30**	**0.00**	**0.00**	**230,828.69**	**50,225.53**	**8,644.29**	**0.00**	**58,869.82**	**171,958.87**	**9,108.86**
II.	**Tangible assets**											
1.	Other equipment, operating and office equipment	432,983.47	193,923.34	0.00	0.00	626,906.81	338,832.99	63,145.29	0.00	401,978.28	224,928.53	94,150.48
III.	**Non-current financial assets**											
1.	Investments of affiliated companies	2,041,600.00	2,682,659.80	100,000.00	0.00	4,824,259.80	0.00	0.00	0.00	0.00	4,824,259.80	2,041,600.00
2.	Loans to affiliated companies	100,000.00	0.00	-100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,000.00
		2,141,600.00	2,682,659.80	0.00	0.00	4,824,259.80	0.00	0.00	0.00	0.00	4,824,259.80	2,141,600.00
		2,633,917.86	3,048,077.44	0.00	0.00	5,681,995.30	389,058.52	71,789.58	0.00	460,848.10	5,221,147.20	2,244,859.34

Notes to the financial statements

for Fiscal Year 2014 / 2015

I. General information

The financial statements have been prepared in accordance with provisions of the third book of the Handelsgesetzbuch (HGB – German Commercial Code; section 238 ff. of the HGB) and the supplementary provisions for companies limited by shares (section 264 ff. of the HGB).

The company is a medium-sized corporation as defined by section 267 (2) of the HGB.

Insofar classification standards of the HGB have been changed compared to the previous year, the consistency of presentation principle (section 265 (1) of the HGB) has been preserved by adjusting the figures of the prior year.

II. Accounting policies

Intangible assets acquired for a consideration are capitalized at their cost of acquisition. Depreciation and amortization are charged on a straight-line basis. Acquisitions during the year are written down pro rata temporis.

Property, plant and equipment is capitalized at its acquisition or production cost less accumulated depreciation. Acquisitions during the year are written down pro rata temporis.

Low value assets are written down in full in the year of acquisition.

Among **financial investments,** shares rights are measured at nominal amount, taking the principle of lower of cost or market into account. Loans are basically stated at their nominal value. Loans which bear no or a below market rate of interest are discounted to their present value.

Services not yet invoiced shown in the line item Inventories are capitalized under consideration of the principle of the lower of cost and market with direct costs and an appropriate share of the overheads. Projects, which, in an overall view will almost certainly announce a loss, are written down to a lower attributable fair value (loss-free valuation).

Receivables and other current assets are reported at their principal amount. Specific risks that can be detected are accounted for by valuation allowances. The general credit risk is covered by a global valuation allowance on receivables.

Cash and cash equivalents are shown at their nominal value.

The equity capital as shown in the balance sheet corresponds to the articles of association and the commercial register.

Other provisions take into account all recognizable risks and uncertain obligations and were listed at the amount of the probable obligations.

Liabilities are carried at the amount required to settle the obligation.

Foreign currency assets and liabilities are translated at the mean spot rates prevailing at the reporting date. Section 253 (1) sentence 1 of the HGB and section 252 (1) no. 4 second half sentence of the HGB are not applied to other assets or liabilities with a remaining term of one year or less

A distinction of revenue recognition has to be made between contracts of services and contracts of work. Assignments based on contracts of service are deducted after performance and revenues are recognized at this point. Revenue recognition of contracts of service is made only after contract completion or upon buyer's partial acceptance.

III. Balance sheet disclosures

Fixed assets

The development of the fixed assets and the depreciation thereof for the financial year are shown in the fixed assets movement schedule attached to the notes.

Financial assets

The financial assets contain shares in affiliated companies of KPIT medini Technologies AG, Berlin (formerly: IKV++ Technologies AG) and of KPIT Solutions GmbH, Bielefeld (formerly: HD Solutions GmbH).

The Company acquired 100% ownership interest in KPIT Solutions GmbH (formerly: HD Solutions GmbH), a German Company providing Product Lifecycle Management (PLM) & Business IT Services, with effect from November 1, 2014. After this acquisition, KPIT Solutions GmbH has become a wholly owned subsidiary of the Company.

Inventories

Inventories contain capitalized work in process of Fixed Price Projects.

Receivables from subsidiaries

An amount of KEUR 320 of the total receivables from subsidiaries has a remaining term of more than one year.

Trade receivables

Trade receivables include receivables amounting to KEUR 184 from unbilled revenues of Time and Material Contracts as well as unbilled revenues of completed Fixed Price Projects amounting to KEUR 335.

Provisions

Other provisions amounting to KEUR 677 mainly include provisions for employee bonuses (KEUR 342), provisions for expenses (KEUR 166) and provisions of outstanding invoices (KEUR 169).

Liabilities

Liabilities to affiliated companies amounting to KEUR 4,211 (previous year: 4,015) include liabilities to the indirect shareholder KPIT Technologies Ltd., Pune, India amounting to KEUR 2,969 (previous year: KEUR 4,029) and liabilities to the shareholder KPIT Technologies (UK) Limited, Ruislip Manor, Middlesex (UK) amounting to KEUR 1,017 (previous year: KEUR 10).

The table below shows a summary of the liabilities broken down according to remaining terms.

	March 31, 2015			March 31, 2014 (previous year)		
	remaining term up to 1 year	remaining term between 1 and 5 years	total	remaining term up to 1 year	remaining term between 1 and 5 years	total
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
1. Advance payments received on account of orders	148	0	148	0	0	0
2. Trade payables	7	0	7	138	0	138
3. Liabilities to affiliated companies	3,211	1,000	4,211	4,015	0	4,015
- thereof to shareholders	17	1,000	1,017	10	0	10
4. Other liabilities	282	0	282	262	0	262
- thereof from taxes	267	0	267	262	0	262
- thereof for social securities	13	0	13	0	0	0
Total liabilities	**3,648**	**1,000**	**4,648**	**4,415**	**0**	**4,415**

IV. Income statement disclosures

The income statement was prepared in accordance with the total cost method.

Revenues

Broken down by geographic markets, the revenues are:

	2014/2015	2013/2014
	KEUR	KEUR
Domestic	12,856	13,579
Export	4,563	2,746
Revenue adjustments	155	-20
Total	**17,264**	**16,345**

Cost of materials

The cost of purchased services results from affiliated companies with an amount of KEUR 6,470 (previous year: KEUR 8,184).

Other operating expenses

Other operating expenses of KEUR 2,827 include, inter alia, advertising and travel expenses of KEUR 641 (previous year KEUR 407), expenses from currency translation of KEUR 335 (previous year KEUR 128) and rental expenses of KEUR 349 (previous year KEUR 362).

V. Other mandatory disclosures

Future financial obligations

In addition to the liabilities stated in the balance sheet, there are future financial obligations from rental agreements of KEUR 554.

Share property

Entity	Participation quota	Equity	Annual result	Financial statements year ending
KPIT medini Technologies AG (formerly: IKV++ Technologies AG)	100%	-469.34 €	110,778.22 €	March 31, 2014
KPIT Solutions GmbH (formerly: HD Solutions GmbH)	100%	202,897.98 €	-418,722.47 €	December 31, 2013

Managing director

Managing directors in fiscal year 2014/2015 were:

– Mr. Sanjay Mandal, Munich, operating managing director
– Mr. Pankaj Maheshwar Sathe (since March 6, 2015), operating managing director

In accordance with section 286 (4) of the HGB the disclosure of the management total remuneration is omitted.

Average amount of employees during the fiscal year

During the fiscal year 2014/2015 115.0 employees (previous year 86.0) were employed on average.

During the fiscal year the following groups of employees were employed by the company:

	Employees	
	2014/2015	2013/2014
Marketing	8.0	9.0
Project	99.5	70.0
Support	7.5	7.0

Group affiliation

The financial statements of KPIT Technologies GmbH are included in the consolidated financial statements of KPIT Technologies Ltd., Pune/ India as of March 31, 2015.

The consolidated financial statements of KPIT Technologies Ltd., Pune/ India as of March 31, 2015 will be electronically filed with the Ministry of Corporate Affairs (Government of India) and be disclosed under Company Identification Number (CIN) L72200PN1990PLC059594.

Munich, April 20, 2015
Sanjay Mandal Pankaj Sathe

KPIT Technologies Netherlands B.V.

Registered Office: Oranje Nassualaan 55-1, 1075 AK Amsterdam, The Netherlands.

Managing Director's Report

The managing directors herewith submit the financial statements of KPIT Technologies Netherlands BV ('the Company') for the financial period ended 31 March 2015.

General

"The Company is a private limited liability company ('besloten vennootschap'), having its statutory seat in Amsterdam, and its registered address at Oranje Nassaulaan 55 le etage,1075 AK Amsterdam, The Netherlands. The Company was incorporated on 16 March 2012.

The Company is wholly owned by KPIT Technologies Limited, Pune, India.

Overview of activities

There was no significant change in the activities of the Company compared to the previous period.

Financial results

The shareholder's equity at the period-end amount to Euro 680,695 (31 March 2014: Euro 369,568). During the year under report the company recorded a net profit of Euro 311,081 (2013/14: Net loss of Euro 137,096).

Expected future developments

For the next financial year the directors expect virtually no change in the nature of the business of the Company.

Post-balance sheets events

No major post-balance sheet events have occurred, which could have material effect on the accounts.

Amsterdam, April 27, 2015

M.P. O'Connor	A.K. Patwardhan	P.M. Sathe
K.P. Patil	S.D. Tikekar	E7 Trust B.V.

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements 2014-2015 for the year ended March 31st, 2015 of KPIT Technologies Netherlands B.V., Amsterdam, which comprise the balance sheet as at March 31st, 2015, the profit and loss account for the year ended and the notes, comprising a summary of the significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management report in accordance with Part 9 Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that 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 Dutch law, including the Dutch Standards on Auditing. This requires 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of KPIT Technologies Netherlands B.V. as at March 31st , 2015 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Barendrecht, May 20th, 2015

AREP Rotterdam B.V.

Drs. G. van de Werken RA

Balance sheet

as at 31 March 2015

(After proposed appropriation of net result and expressed in Euro)

ASSETS			31 March 2015	31 March 2014
Fixed assets			-	-
Current assets				
Receivables				
-Trade Debtors		775,023		
Less : Provision for Doubful Debts		(955)	774,068	484,183
-Other receivables			4,602	7,389
-Prepayment and accured income	(2)		116,546	73,932
Cash				
-Cash at banks	(3)		587,353	370,572
Total assets			**1,482,569**	**936,076**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
-Paid-up and issued share capital			500,000	500,000
-Unappropriated profits			180,695	(130,432)
	(4)		680,695	369,568
Short term liabilities				
-Trade creditors			511,471	364,169
-Amounts due to group companies	(5)		-	6,959
-Amounts due to shareholders	(6)		-	4,984
-Taxes and social security	(7)		248,636	158,017
-Other liabilities	(8)		-	2,094
-Accrued liabilities and deferred income	(9)		41,767	30,285
Total equity and liabilities			**1,482,569**	**936,076**

Profit and loss account

for the financial year 2014/2015

(Expressed in Euro)

		2014/2015	2013/2014
Net turnover		2,455,263	2,019,173
Cost of sales	(2)	(1,586,406)	(1,270,752)
Gross margin		868,857	748,421
-Wages and salaries	(3)	(483,676)	(664,011)
-Social security costs		(53,230)	(73,191)
-General and administrative expenses	(4)	(45,177)	(29,202)
-Provision for doubtful debts		118,220	(119,175)
Total operating expenses		**(463,863)**	**(885,579)**
-Financial income and expense	(5)	584	62
Result on ordinary activities before taxation		**405,578**	**(137,096)**
-Taxation on results of ordinary activities	(6)	(94,497)	-
Result of ordinary activities after taxation		**311,081**	**(137,096)**

General notes

Activities

The Company is a private limited liability company ('besloten vennootschap'), having its statutory seat in Amsterdam, and its registered address at Oranje Nassaulaan 55 le etage,1075 AK Amsterdam, The Netherlands.

The Company was incorporated on 16 March 2012. The principal activities of the Company are to sell and commercialize computer programs, software and its applications, to render services of consulting in the areas of engineering design, drafting, software development, testing, consulting, architecture services and advisory in types and configurations, and also to develop projects to the installation all related to the products commercialized.

The financial year

The financial year of the company starts on 1 April and ends on 31 March.

Principles for the valuation of assets and liabilities

The financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands and are denominated in Euro.

- Receivables, cash and liabilities

Receivables, securities, cash at banks, cash on hands and liabilities are stated at nominal value, unless stated otherwise. Trade debtors are shown at face value less a provision for doubtful debts. Provision for doubtful debts is reversed during the year & some new provision has been created. Bad debts are incurred which are related to customer "DAF Trucks N.V.".

- Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the official rates of exchange prevailing on the balance sheet date.

Principles for the determination of the result

The result is determined as the difference between the (unrealisable) value of the goods delivered and services rendered and the costs and other charges related to the year. Profits on transactions are recognised in the year in which they are realised, losses are taken into account as soon as they are foreseeable.

Income and expenses denominated in foreign currencies are converted at the official rates of exchange prevailing on the transaction date. Translation differences due to exchange rate fluctuations between the transaction date and the settlement date or balance sheet date are taken to the profit and loss account.

Average number of employees

The Company had six employees during the financial year under report. (2013-14 : 8).

Directors

The Company had six directors during the financial year under report.

Amsterdam, April 27, 2015

M.P. O'Connor	A.K. Patwardhan
K.P. Patil	S.D. Tikekar
E7 Trust B.V.	P.M. Sathe

Notes to the Balance Sheet

1 Other receivables

	31 March 2015	31 March 2014
Advance tax	4,602	7,389

2 Prepayments and accrued income

	31 March 2015	31 March 2014
Prepayments	-	1,769
Accrued income	116,546	72,163
	116,546	**73,932**

3 Cash

	31 March 2015	31 March 2014
HSBC 73.36.49.211	587,353	370,572

4 Shareholders' equity

	Share capital	Retained earnings	Result	Total 2015
Balance as at				
1 April 2014	500,000	(130,386)	-	369,614
Issue of shares/Contribution	-	-	-	-
Movements during the year	-	-	-	-
Profit for the year	-	-	311,081	311,081
Allocation result	-	311,081	(311,081)	-
Balance as at				
31 March 2015	**500,000**	**180,695**	-	**680,695**

The issued and paid-up share capital amounts to Euro 500,000 and consists of 5,000 ordinary shares with a nominal value of euro 100 each.

5 Amounts due to group companies

	31 March 2015	31 March 2014
Payable to KPIT Technologies Ltd.	-	6,959
	-	**6,959**

6 Amounts due to shareholders

	31 March 2015	31 March 2014
Payable to KPIT Technologies Limited	-	4,984
	-	**4,984**

7 Taxes and social security

	31 March 2015	31 March 2014
Dutch wage tax payable	16,016	25,294
Value Added Tax	137,769	132,723
Provision for Tax A.Y 15-16	94,851	-
	248,636	**158,017**

8 Other liabilities

	31 March 2015	31 March 2014
Advance payable to employees	-	2,094
	-	**2,094**

9 Accrued liabilities and deferred income

	31 March 2015	31 March 2014
Accrued bonus expenses	13,162	16,985
Other accrued expenses	28,605	13,300
	41,767	**30,285**

10 Related party transactions

	31 March 2015	31 March 2014
KPIT Technologies Ltd.(Banglore) India, for Software services	34,851	28,102
KPIT Technologies Ltd.(Pune) India, for Software services	1,541,262	1,242,650
KPIT Infosystems Inc.(Edison) USA, for Software services	10,293	-
	1,586,406	**1,270,752**

Notes to the Profit and Loss account

1 Turnover

	2014/2015	2013/2014
Sales	2,455,263	2,019,173

2 Cost of sales

	2014/2015	2013/2014
Cost of sales	(1,586,406)	(1,270,752)

3 Wages and salaries

	2014/2015	2013/2014
Wages	(447,509)	(650,832)
Other employee related expenses	(36,167)	(13,179)
	(483,676)	**(664,011)**

4 General and administrative expenses

	2014/2015	2013/2014
Gifts	(5,393)	(376)
Advisory and accounting fees	(36,261)	(26,086)
Bank charges	(2,406)	(2,740)
Bad Debts	(1,057)	-
Telephone Expenses	(60)	-
Software Expenses	(1,406)	-
Octroi, Freight & Transport	1,406	-
	(45,177)	**(29,202)**

5 Financial income & Expense

	2014/2015	2013/2014
Financial income		
Other interest income	-	13
Foreign currency exchange gain	542	-
Rounding off	42	51
Financial expense		
Foreign currency exchange loss	-	(2)
	584	**62**

6 Corporate income tax

	2014/2015	2013/2014
Corporate Income Tax	(94,497)	-

Other information

Auditor's report

Auditors report is attached on next page.

Distribution of the result according to the articles of association

Based on the company's articles of association the result shall be at the disposal of the general meeting of shareholders. Dividend can only be distributed to the extent that the company's shareholders' equity exceeds the paid-up and issued share capital, plus the reserves which must be maintained by law.

Appropriation of the result

The company's management proposes to add the result to the retained earnings.

Events occurred after balance date

No events which may substantially effect the financial position of the company and which are relevant to announce in the annual accounts have occurred after balance date.

KPIT Technologies France

Registered Office: 10, Avenue Franklin D Roosevelt 75008 Paris France.

Board's Report

Dear Shareholders,

Your Board of Directors is pleased to present their Ninth report on the operations of the Company together with the audited accounts for the financial year ended on March 31, 2015.

Financial Results

Particulars	2014-15 Euro	2013-14 Euro
Net Turnover	9,640,718	7,229,992
Net Profit /(Loss) for the year	551,653	854,322

Operations

During the year under review, net turnover of the Company increased by 33%. However, net profit declined by 35%.

Name Change

As a part of branding strategy of the parent company, the name of the Company was changed to KPIT Technologies France, during the year.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders. However, the Indian Companies Act, 2013 and the rules framed thereunder mandate audit of the books of accounts of the Company. Therefore, the Company appointed KPMG SA as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

For and on behalf of the Board of Directors
KPIT Technologies France

Pune
April 24, 2015

Kishor Patil
Chairman

Statutory Auditor's report on the financial statements

Year ended 31 March 2015

Dear Sirs,

In our capacity as Statutory Auditor of KPIT Technologies France SAS and in compliance with your request, we have audited the accompanying financial statements, of KPIT Technologies France SAS for the year ended 31 March 2015.

The President is responsible for the preparation and fair presentation of these "financial statements". Our responsibility is to express an opinion on these "financial statements" based on our audit.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures, on a test basis or by other means of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant 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 opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position and assets and liabilities of KPIT Tehnologies France SAS as of 31 March 2015, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

This report is addressed to your attention in the context described above and is not to be used, circulated, quoted or otherwise referred to for any other purposes. We accept no liability with regard to any third party to whom this report is distributed or into whose hands it may fall.

This report shall be governed by, and construed in accordance with French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter or this report, and any matter arising from them. Each party irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

Balance Sheet - Assets

ASSETS		Current year 31/03/2015 (12 months)			Past year 31/03/2014 (12 months)
		Brut	Depr. & prov.	Net	Net
Fixed assets					
Other tangible fixed assets		58 789,09	41 512,19	17 276,90	29 329,54
Other fixed assets		16 297,50		16 297,50	
	TOTAL (I)	**75 086,59**	**41 512,19**	**33 574,40**	**29 329,54**
Current assets					
Trade and related accounts		2 667 964,14		2 667 964,14	2 228 410,80
Other receivables					
. Debtors suppliers		269,84		269,84	
. Staff		31,71		31,71	
. State, profit tax		175 726,40		175 726,40	
. State, turnover tax		359 012,92		359 012,92	352 313,13
. Other		1 895,00		1 895,00	146 572,30
Cash		2 415 742,95		2 415 742,95	1 950 723,09
Prepaid expenses		432 653,03		432 653,03	73 270,62
	TOTAL (II)	**6 053 295,99**		**6 053 295,99**	**4 751 289,94**
Charges to be spread over several periods	(III)				
Premium for redemption of bonds	(IV)				
Unrealized exchange losses	(V)				
	TOTAL ASSETS (0 a V)	**6 128 382,58**	**41 512,19**	**6 086 870,39**	**4 780 619,48**

Balance Sheet - Equity and Liabilities

Equity and Liabilities	Current year 31/03/2015 (12 months)	Past year 31/03/2014 (12 months)
Shareholders' equity		
Share capital (paid-up capital : 100 000,00)	100 000,00	100 000,00
Legal reserve	14 987,32	14 987,32
Retained (profits / losses) brought forward merger	1 367 113,19	512 791,20
Net income or loss of the tax year	**551 653,90**	**854 321,99**
TOTAL (I)	**2 033 754,41**	**1 482 100,51**
TOTAL (II)		
Provisions for liabilities and charges		
TOTAL (III)		
Loans and debts		
Other financial borrowing and debts		
Trade notes and related accounts payable	1 915 090,06	1 924 140,70
Tax payable and social liabilities		
. Staff	123 910,31	82 507,74
. Payroll taxes	169 867,34	80 433,77
. State, profit tax		267 845,00
. State, turnover tax	1 208 067,95	810 804,04
. Other taxes	32 549,00	24 957,00
Other debts	6 671,52	1 690,72
Prepaid income	596 959,80	106 140,00
TOTAL(IV)	**4 053 115,98**	**3 298 518,97**
TOTAL LIABILITIES (I a V)	**6 086 870,39**	**4 780 619,48**

Income Statement

Presente en Euros

INCOME STATEMENT			Current year 31/03/2015 (12 months)	Past year 31/03/2014 (12 months)
	France	Export	Total	Total
Sales of manufactured services	8 172 793,49	1 467 924,66	9 640 718,15	7 229 992,61
Net turnover	**8 172 793,49**	**1 467 924,66**	**9 640 718,15**	**7 229 992,61**
Operating subsidies				3 000,00 76
Recaptures on deprecations and reserves, expense transfer			66 649,05	
Other operating income			4,68	76 780,60
Total operating income			**9 707 371,88**	**7 309 773,21**
Other purchases and external expenses			7 501 018,91	5 142 891,12
Taxes and assimilated payments			81 501,99	49 745,34
Salaries and wages expenses			755 061,30	551 330,93
Social security expenses			335 355,01	254 558,48
Operating allowances on fixed assets : depreciation allowances			7 639,19 66	6 784,60 14
Other expenses			654,99	333,59
Total operating expenses			**8 747 231,39**	**6 019 644,06**
OPERATING RESULT			**960 140,49**	**1 290 129,15**
Profits on foreign exchange			12 821,85	1 389,20
Net gains on sales of portfolio securities				563,71
Total financial income			**12 821,85**	**1 952,91**
Interests and assimilated expenses			137 342,97	11 421,00 1
Loss on foreign exchange				077,07
Total financial expenses			**137 342,97**	**12 498,07**
FINANCIAL RESULT			**-124 521,12**	**-10 545,16**
Ordinary result before tax			**835 619,37**	**1 279 583,99**
Total extraordinary income				
Extraordinary operating losses			35,00	
Extraordinary capital losses			12 597,47	
Total extraordinary expenses			**12 632,47**	
EXTRAORDINARY RESULT			**-12 632,47**	
Income tax			271 333,00	425 262,00
Total Income			**9 720 193,73**	**7 311 726,12**
Total expenses			**9 168 539,83**	**6 457 404,13**
NET RESULT			**551 653,90**	**854 321,99**
			Profit	Profit
Including leasing of furnitures			2 280,00	2 280,00

Balance Sheet - Assets

ASSETS	Current year 31/03/2015 (12 months)			Past year 31/03/2014 (12 months)
	Gross	Depr. & prov.	Net	Net
Fixed assets				
208000 Software				2 169,00
280800 Amortisation software				-2 169,00
Other tangible fixed assets	**58 789,09**	**41 512,19**	**17 276,90**	**29 329,54**
218100 Others installation and fiting	4 312,24		4 312,24	20 359,57
218300 Office and computer equipement	38 677,35		38 677,35	56 260,67
218400 Office equipment	15 799,50		15 799,50	15 799,50
281810 Amortisation of others instal		118,29	-118,29	-5 429,23
281830 Amortisation of office and comput		33 739,46	-33 739,46	-51 586,48
281840 AMORT. MOBILIER		7 654,44	-7 654,44	-6 0 74,49
Other fixed assets	**16 297,50**		**16 297,50**	
275000 Deposit	16 297,50		16 297,50	
TOTAL (I)	**75 086,59**	**41 512,19**	**33 574,40**	**29 329,54**
Current assets				
Trade and related accounts	**2 667 964,14**		**2 667 964,14**	**2 228 410,80**
411000 Customers and related accounts	2 273 409,69		2 273 409,69	1 984 746,77
416000 Doubtful debs				79 835,79
418100 Customers - Invoices to be issued	394 554,45		394 554,45	230 477,29
491000 Dep. doubtful debs				-66 649,05
Other receivables				
. Debtors suppliers	**269,84**		**269,84**	
401001 Suppliers and related accounts -	269,84		269,84	
. Staff	31,71		31,71	
421000 Staff remuneration payable	31,71		31,71	
. State, profit tax	**175 726,40**		**175 726,40**	
444000 Income tax	175 726,40		175 726,40	
. State, turnover tax	**359 012,92**		**359 012,92**	**352 313,13**
445630 VAT - deductible	351 833,67		351 833,67	347 333,92
445661 VAT - deductible	1 012,91		1 012,91	1 429,21
445710 VAT - collected by the Company	4 100,41		4 100,41	
445860 VAT acc on invoice to be received	2 065,93		2 065,93	3 550,00
. Other	1 895,00		1 895,00	146 572,30
448700 ETAT PRODUITS A RECEVOIR	1 895,00		1 895,00	
467500 Others debtors				146 5 72,30
Cash	**2 415 742,95**		**2 415 742,95**	**1 950 723,09**
512000 Bank SG	3 539,33		3 539,33	14 305,78
512100 Bank HSBC	2 412 203,62		2 412 203,62	1 936 417,31
Prepaid expenses	**432 653,03**		**432 653,03**	**73 270,62**
486000 Prepaid expenses	2 313,09		2 313,09	4 2 79,62
486110 Prepaid expenses unbilled	430 339,94		430 339,94	68 991,00
TOTAL (II)	**6 053 295,99**		**6 053 295,99**	**4 751 289,94**
Charges to be spread over several periods (III)				
Premium for redemption of bonds (IV)				
Unrealized exchange losses (V)				
TOTAL ASSETS (0 a V)	**6 128 382,58**	**41 512,19**	**6 086 870,39**	**4 780 619,48**

Balance Sheet - Equity and Liabilities

EQUITY AND LIABILITIES	Current year 31/03/2015 (12 months)	Past year 31/03/2014 (12 months)
Shareholders' equity		
Share capital (paid-up capital : 100 000,00)	100 000,00	100 000,00
101300 Share capital	100 000,00	100 000,00
Legal reserve	**14 987,32**	**14 987,32**
106110 Legal Reserves	14 987,32	14 987,32
Retained (profits / losses) brought forward merger	**1 367 113,19**	**512 791,20**
110000 Profit or loss carried forward	1 367 113,19	512 791,20
Net income or loss of the tax year	**551 653,90**	**854 321,99**
TOTAL(I)	**2 033 754,41**	**1 482 100,51**
TOTAL(II)		
Provisions for liabilities and charges		
TOTAL (III)		
Loans and debts		
Other financial borrowing and debts		
Trade notes and related accounts payable	**1 915 090,06**	**1 924 140,70**
401000 Suppliers and related accounts	1 767 677,68	1 755 359,37
408100 Sup - invoices to be received	12 395,63	44 585,67
408103 Ceedit note KPINDE UNBILLED	135 016,75	124 195,66
Tax payable and social liabilities		
. Staff	**123 910,31**	**82 507,74**
421000 Staff remuneration payable		3 520,20
428200 Accrued paid holidays	45 203,11	30 139,69
428300 Accrued salary 13e mois	8 534,54	6 613,93
428500 Accrued salary	65 027,00	40 000,00
428640 Accrued paid RTT	5 145,66	2 233,92
. Payroll taxes	**169 867,34**	**80 433,77**
431000 Social security	73 267,00	17 2 70,00
437100 Others social agencies (capimmec)	25 602,00	16 776,00
437500 Others social agencies (prevoyanc)	2 051,00	1 399,00
437600 Others social agencies (mutuelle)	3 907,00	3 262,00
438200 Acc soc charge on paid holida	22 601,73	15 069,83
438300 Acc soc charge on salary 13e m	4 267,28	3 306,97
438500 Social agencies - Accrued amounts	32 513,50	20 000,00
438600 Other accrued social agencies	3 085,00	2 233,00
438650 Acc soc charge on paid RTT	2 5 72,83	1 116,97
. State, profit tax		**267 845,00**
444000 Income tax		267 845,00
. State, turnover tax	**1 208 067,95**	**810 804,04**
445510 Turnover tax VAT payable	460 301,00	142 228,00
445710 VAT - collected by the Company		27 394,33
445711 TVA coll 20%	344 155,20	259 407,90
445720 VAT - collected by the Company		63 897,58
445721 TVA COLL / ACH PRESTIMM 2	350 726,09	278 398,53
445730 TVA COLL/ACH DE PREST IC	1 107,10	5 036,10
445870 VAT Accrued on customers not yet	51 778,56	34 441,60
. Other taxes	**32 549,00**	**24 957,00**
448600 Others taxes Accrued amount payable	32 549,00	24 957,00
Other debts	**6 671,52**	**1 690,72**
467300 Others debtors and creditors	6 671,52	1 690,72
Prepaid income	**596 959,80**	**106 140,00**
487000 Deferred income	596 959,80	106 140,00
TOTAL (IV)	**4 053 115,98**	**3 298 518, 97**
Total Liabilities (I a V)	**6 086 870,39**	**4 780 619,48**

Income Statement

			Current year 31/03/2015 (12 months)	Past year 31/03/2014 (12 months)
	France	Export	Total	Total
Sales of manufactured services	**8 172 793,49**	**1 467 924,66**	**9 640 718,15**	**7 229 992,61**
706000 Sales of services - BNP				496 799,87
706003 REVENUE ONSITE 20%	238 548,82		238 548,82	478 938,73
706100 Sales of services - Others				3 206 203,25
706103 Sales of services 20%	7 1 73 4 76,19		7 173 476,19	958 382,47
706300 Sales of services LEGRAND				360 599,02
706307 PRESTATION LEGRAND 20%	461 134,13		461 134,13	94 440,02
706900 Sales 0 %		1 327 123,69	1 327 123,69	155 316,70
706902 REVENUE ONSITE EXPORT				63 043,76
706903 REVENUE ADJ DEVISES		1 357,55	1 357,55	
706905 Sales BNP 0%				14 580,00
706910 Sales LEGRAND export				1 037 709,00
708500 Recharging cost CA Sheet				66 990,00
708503 Frais refacturation 20%	299 634,35		299 634,35	62 150,47
708510 Recharging cost Legrand				1 055,00
708511 FRAIS LEGRAND 20%				1 138,00
708520 Recharging cost Lafarge				31 814,45
708521 FRAIS LAFARGE 20%				25 789,82
708900 Recharging cost 0 %		2 501,00	2 501,00	7 128,70
708902 Recharging cost inde		136 942,42	136 942,42	167 913,35
Net turnover	**8 172 793,49**	**1 467 924,66**	**9 640 718,15**	**7 229 992,61**
Operating subsidies				**3 000,00**
740000 Subsidy training cost				3 000,00
Recaptures on deprecations and reserves, expense transfer			**66 649,05**	
781740 Release Accrual debt clients			66 649,05	
Other operating income			**4,68**	**76 780,60**
758000 Others current income			4,68	76 780,60
Total operating income			**9 707 371,88**	**7 309 773,21**
Other purchases and external expenses			**7 501 018,91**	**5 142 891,12**
604900 Operationnal subcontracting - KP			6 494 140,47	3 641 075,97
604901 ACHAT PREST KPIT GERMANY			223 727,91	
604909 PREST OTHERS			27 714,39	
604913 Subcontractors HP			61 700,00	37 150,00
604918 SERVICES SYSTIME LAFARGE				689 002,80
604920 EXPENSES KPIT INDE			120 053,84	167 578,99
604921 SERVICES ZFLS NACAM				75 078,00
604923 PRESTATIONS SERVICE KPUK			713,39	
604924 PRESTATIONS ADJ DEVISES			33 277,83	
606110 FOURN.NON STOCK (ELECT.)			92,81	
606300 Non-invetory materials and sup			1 375,45	2 574,72
606310 Non-inventory materials			470,75	437,96
606400 Administrative furniture and mate			1 339,88	2 149,68
611200 SOUS TRAITANCE KPIT UK			19 059,89	81 559,61
611300 G & A COSTS KPIT INDIA			182 607,36	62 186,18
612200 Rent office material			2 280,00	2 280,00
613200 Rent and rental charges (offices)			69 801,58	84 483,00
613201 Rent indiens people			824,80	1 015,00
614100 Other rent costs			1 750,93	
615200 Maintenance and repairs			765,00	
616100 Insurance			2 316,72	1 483,26
618502 Training			11 500,00	3 655,00
621100 Employee interim				10 697,58
622600 Fees			45 801,24	52 963,96
622602 Others fees			6 130,85	12 569,00
622605 Auditor fees			5 839,34	5 897,92
622610 Lawyer fees			19 153,08	51 404,38
622620 HONORAIRES DIVERS			2 047,66	
622700 Other fees			201,87	10,35
623100 Legal publications			249,71	2 203,08
623310 Advertising, publications, public			10 000,00	

Income Statement

	France	Export	Current year 31/03/2015 (12 months) Total	Past year 31/03/2014 (12 months) Total
623400 Advertising, publications, public			750,01	10 282,53
624800 Other transports			2 358,59	4 742,55
625100 Travel, external missions			111 367,27	98 156,07
625500 remouvement costs			1 300,00	
625700 Missions				647,50
626000 Postal and telecommunications			3 151,63	1 976,32
626100 Costs mobil SFR			12 374,18	10 669,80
626200 Cost post			4 120,86	
626300 Cost telecommunications			57,58	-738,06
627500 Bank and similar services			18 615,04	15 792,90
628100 Sundry			1 987,00	2 780,00
628400 Recruitment fees				11 125,07
Taxes and assimilated payments			**81 501,99**	**49 745,34**
631200 Taxes on wages and salaries (tax)			4 784,51	3 882,47
633300 Taxes on wages and salaries (form)			8 801,24	4 392,12
635110 Others taxes (tax professionell)			40 029,00	17 280,00
637100 Others taxes (organic)			9 246,00	11 582,00
637800 Others taxes (IFA)			18 641,24	12 608,75
Salaries and wages expenses			**755 061,30**	**551 330,93**
641100 Wages and salaries			706 012,73	389 454,56
641110 Wages ans salaries Indiens				181 271,22
641200 Holiday pay - accruals			15 063,42	-5 817,25
641210 RTT pay accruals			2 911,74	-2 007,05
641300 13e mois accruals			1 920,61	-2 234,01
641401 Other advantages			4 125,80	2 340,24
641402 PERS REM DIVERS INDIENS				786,22
641510 Accrued bonus VPI			25 027,00	-12 463,00
Social security expenses			**335 355,01**	**254 558,48**
645100 Social security			188 912,23	114 877,89
645110 Social security Indiens				51 411,39
645320 Others social contributions (capital)			69 034,93	31 966,04
645321 Others social contr Indiens				15 154,70
645400 Others social contributions (assets)			27 638,83	14 811,58
645410 Orther social contr Indiens				7 794,67
645500 Others social contributions (previous)			9 162,65	5 379,26
645501 Orthers social contr Indiens				2 574,66
645510 Others social contributions (mutual)			13 472,50	10 593,52
645511 Orthers social contr Indiens				7 298,24
645880 Accrued soc contr/paid RTT			1 455,86	-1 003,53
647100 Accrued soc contr/paid holid			7 531,90	-2 908,64
647500 Accrued soc contrib			12 513,50	-6 231,50
647510 Accrued soc contrib / 13e moi			960,30	-1 117,01
648000 Other benefits costs			6 878,75	3 781,41
648010 Indemnity de repas			4 228,56	715,68
648011 Indemnity Indiens				3 200,40
648100 Other staff cost			1 127,00	1 566,72
649000 CICE			-7 562,00	-5 307,00
Operating allowances on fixed assets : depreciation allowances			**7 639,19**	**6 784,60**
681120 Depreciation of tangible assets			7 639,19	6 784,60
Other expenses			**66 654,99**	**14 333,59**
654000 DOUBTFULL DEBTS WRITTEN OF			66 649,05	
658000 Other current operating charges			5,94	14 333,59

Income Statement

Detaille Presente En Euros

INCOME STATEMENT (next)	Current year 31/03/2015 (12 months)	Past year 31/03/2014 (12 months)	Variation on 12 months
Total operating expenses	**8 747 231,39**	**6 019 644,06**	**2 727 587**
OPERATING RESULT	**960 140,49**	**1 290 129,15**	**-329 989**
Profits on foreign exchange	**12 821,85**	**1 389,20**	11 432
766000 Exchange gains	12 821,85	1 389,20	11 432
Net gains on sales of portfolio securities		**563.71**	-563
767000 Proceeds from sale of securities		563.71	-563
Total financial income	**12 821,85**	**1 952,91**	**10 869**
Interests and assimilated expenses		11 421,00	-11 421
661160 Interest loan	137 342,97	11 421,00	-11 421
Loss on foreign exchange	137 342,97	1 077,07	136 265
666000 Foreing exchanges losses		1 077,07	136 265
Total financial expenses	**137 342,97**	**12 498,07**	**124 844**
FINANCIAL RESULT	**-124 521,12**	**-10 545,16**	**-113 976**
Ordinary result before tax	**835 619,37**	**1 279 583,99**	**-443 964**
Total extraordinary income			
Extraordinary operating losses	**35.00**		35
671200 Penalities	35.1		35
Extraordinary capital losses	12 597,47		12 597
675000 VAL. NET. COMPT. ELEM. CEDES	**12 597,47**		12 597
Total extraordinary expenses	12 632,47		12 632
EXTRAORDINARY RESULT	**-12 632,47**		-12 632
Income tax	**271 333,00**	425 262,00	-153 929
695000 Income tax	271 333,00	426 714,00	-155 381
698900 Credit taxe kindergarten		-1 452,00	1 452
Total Income	**9 720 193,73**	**7 311 726,12**	**2 408 467**
Total expenses	**9 168 539,83**	**6 457 404,13**	**2 711 135**
NET RESULT	**551 653,90**	**854 321,99**	**-302 668**
	Profit	Profit	
Including leasing of furnitures	**2 280,00**	**2 280,00**	
612200 Rent office material	2 280,00	2 280,00	

KPIT medini Technologies AG

Registered Office: Dessauer Starsse 28/29, 10963, Berlin, Germany.

Status report on the annual financial statements 2014/2015

I. Fundamentals of the company

1. Business model

KPIT medini Technologies AG is a technology company with headquarters in Berlin. KPIT medini Technologies AG offers solutions and tools for system analysis and system design as well as development of embedded software-based systems.

The service spectrum of KPIT medini Technologies AG especially comprises the analysis of functional security as per ISO 26262, configuration and change management and improvement in the efficiency of system developments.

KPIT medini Technologies AG has global clients from the Automotive, Railway, Avionics, Energy and Defense industries. KPIT medini Technologies AG has been part of the KPIT group of companies since the year 2013. The name was changed from "IKV++ Technologies AG" to "KPIT medini Technologies AG" in January 2015 and is an expression of the advanced integration in the KPIT group of companies.

The company is managed by both the boards. Project teams are formed for operative handling of projects, which teams are guided by a project manager.

2. Research and Development

KPIT medini Technologies AG participated in three European research projects in the last financial year. The Company's board considered participating in the European research projects as a chance to identify the trends and demands for future projects.

II. Economic report

1. Overall economic and industry related framework conditions

A large part of the customer base of KPIT medini Technologies AG belongs to the automobile industry. But KPIT medini Technologies AG is not particularly dependent on the development of the automobile sector. Thanks to its most popular and mainstream product "medini analyze", the company is not dependent on the economic development of the automobile industry. For one, there are no comparable products with respect to quality and service, and also "medini analyze" means an integration environment for implementing the safety standard ISO 26262, which is to be continuously implemented in the automobile industry by suppliers and producers.

By constant development of "medini analyze" and other software products from KPIT medini Technologies AG together with high service orientation, KPIT medini Technologies AG also secures its technological edge in the future.

2. Business performance

The intensification of marketing the core products and further development of technology and sales partnerships are paramount for the company. Also, the focus is on software products and consultation services according to ISO 26262 for functional safety of electrical and electronic systems in series vehicles. Over and above that, KPIT medini Technologies AG is also a Development member in AUTOSAR. AUTOSAR (AUTomotive Open System Architecture) is a development partnership of manufacturers of automobiles, control systems, development tools, control unit based software and micro-controllers.

The company was able to significantly expand its turnover in the financial year as compared to the previous period. Intensive collaboration with KPIT group of companies was the main driver for the increase in turnover. KPIT medini Technologies mainly benefited in the area of sales support.

Further, prospects of the company are very positive, because a very strong, strategic technology partner has been found in KPIT group as owner, who has a very good position in the international automotive segment. There is considerably better marketing potential for the developed products through integration in the sales network of KPIT group. Now, it is possible to offer services jointly, which was not possible earlier either to the KPIT group or to KPIT medini Technologies AG.

"medini analyze" is the core product of KPIT medini Technologies AG. It is used as standard tool for functional security in the automobile sector with the method of hazard- and risk analysis, system modelling, FTA and FMEA.

The product "medini unite" is further maintained at reasonable cost and contributes about T€ 200 to the total turnover. The company's board further assumes that "medini unite" further prevails as standard tool in software companies that rely on model-based development.

Another driver for the positive business performance in the financial year 2014/2015 is the intensive group-internal collaboration with other companies of the KPIT group of companies. The collaboration is particularly in AUTOSAR. The services of KPIT medini Technologies AG are computed at group-internal computation prices.

3. Income, asset and financial position

Income position

KPIT medini Technologies AG generated an annual surplus of T€ 485 in the financial year.

The total output could be significantly increased by 14% to T€ 2002 as compared to the previous year. Successful acquisition of new clients and developing the business relationship with existing clients proved decisive for this positive development. The core product "medini analyze" contributed to almost half the sales of KPIT medini Technologies AG. The composition of the total turnover is as follows:

	2014/2015	2013/2014
	T€	T€
"medini analyze" sales	978	810
"medini unite" sales	200	196
EU promotions sales	404	364
Other sales	321	383
Total sales	**1903**	**1753**

The personnel expenses have increased by T€ 215 as compared to the previous period 2013/2014 because of personnel employments.

The planned increase in turnover and planned positive annual result could be achieved.

Asset position

The company did not make any significant investments in the financial year.

Strong business in the 1st quarter of the calendar year 2015 and resulting high receivables have led to an increase in the current assets to T€ 1042 (previous year: T€646). Current assets are faced with short term liabilities amounting to T€ 257.

Equity capital could be increased to T€ 484 on the balance sheet date. KPIT medini Technologies AG thus has an equity ratio of 45%.

Financial position

The company was in a position to meet its liabilities at any time in the financial year. The financial position developed as follows:

	2014/2015	2013/2014
	T€	T€
Cash flow from operations	209	39
Cash flow from investments	-11	-1
Cash flow from financing	-129	8
Total cash flow	69	46

Liquid assets amounted to 157 T€ (previous year: 88 T€) on the balance sheet date. The total current account credit lines were T€ 180, which were not availed of on the balance sheet date. A due promotional loan from the Investitionsbank Berlin (IBB) for developing medini analyze amounting to T€ 320 was redeemed by a loan from the parent company.

The income, financial and asset position of KPIT medini Technologies AG can be said to be very good.

4. Financial performance indicators

For its internal company control, KPIT medini Technologies AG use the return on sales figure. The return on sales is computed as profit before tax (PBT) in proportion to the sales proceeds plus the group's internal earnings.

A return on sales of 23% was achieved in the financial year 2014/2015. With that, the return on sales of the previous year amounting to 8% could be increased substantially.

The increase in the return on sales corresponds to the planned development and results from the fact that third-party sales and group-internal sales saw a stronger growth than the costs.

The overall economic position of KPIT medini Technologies AG can be said to be very good.

III. Supplementary report

Significant events after the end of the financial year are not entered.

IV. Report on outlook, chances and risks

Outlook report

For the financial year 2015/2016, the board of the company expects significant growth in sales in the licensing and consulting business segments, which will lead to intensive market penetration. Additional positive impulses for economic growth of the company are also expected from the effects of integration with the KPIT group.

KPIT medini Technologies AG plans to achieve return on sales of about 25%.

There is a plan to achieve overall growth in the annual result as compared to the financial year 2014/2015. The annual result is expected to grow in proportion to the growth in sales.

Increase in personnel expenses corresponding to growth in sales is also expected because of additional recruitment. The additional expenditure, including rent,as a consequence of increase in the number of jobs is overcompensated by the growth in sales.

Thus, an overall total output of about 2.8 Mio. € and a profit before tax of 0.7 Mio. € is expected.

Chance report

The further prospects of the company appear positive because the KPIT group is a strong, strategic technology group in the IT sector, which is very well positioned globally in the automotive segment. There is very good marketing potential for the products through integration in the sales network of KPIT group. The KPIT group and KPIT medini Technologies AG together can also offer joint services in the market, which has not been possible for either of them alone. There are also excellent opportunities to efficiently design further product development together with the KPIT group. There are several preconditions attached to achieve significant increase in sales with "medini analyze" and the accompanying consultancy services.

It is further expected that the medini analyze user conference has a positive effect on sales development. The medini analyze user conference is an annual meeting of those interested in "medini analyze" and its users. In 2015, the user conference is to take place in the USA because the company management estimates the chances of growth to be very strong here.

Risk report

KPIT medini Technologies AG has flat organisation structures. The persons in charge of the projects are permanently integrated in the essential decision making processes by regular consultations with the company management.

The company encounters the risk of significant debts by strict debt management and consistent dunning.

The main risks that KPIT medini Technologies AG is faced with are as follows:

- new competing products that cause delays in contracts or loss of contracts
- the ongoing integration process with the KPIT group lasts longer than expected
- or the collaboration shapes otherwise than envisaged
- the extent of the share in sales of the main product "medini analyze"
- qualified engineers are not available
- labour-piracy of key personnel

The risk of product dependency is countered with permanent, further development and diversification of the product. The objective of this strategy on one hand is to implement the product in other technology markets and on the other hand to integrate it in other existing processes to position "medini analyze" as an indispensible standard tool.

V. Risk report creation on the use of financial instruments

The financial instruments existing in the company include claims, liabilities and credit with credit institutes.

Except for the above mentioned risk of bad debts, there are no significant risks from the use of financial instruments for KPIT medini Technologies AG.

VI. Report on branch offices

The company does not maintain branch offices.

VII. Closing statement on the dependency report

KPIT medini Technologies AG has created a dependency report for the financial year 2014/2015 as per § 312 AktG. In case of the legal transactions listed in the report on relations with associated companies and other measures according to circumstances that were known to the company at the point of time in which the legal transactions were entered into or the other measures were taken, the company has received reasonable consideration in case of each legal transaction and is not disadvantaged by whether measures have been taken or not.

Berlin, May 2015

Dr. Olaf Kath
Executive Board

Dr. Marc Born
Executive Board

1. Request for audit

1. Our report stated below on the voluntary audit of the annual financial statements of KPIT medini Technologies AG as on 31st March 2015 is for the audited company.

In the annual general meeting on 8th October 2014 of **KPIT medini Technologies AG,** Berlin also referred to as Company hereafter -

we were selected to be the statutory auditor for the financial year from 1st April 2014 to 31st March 2015 on the proposal of the supervisory board. After that, the supervisory board of the company commissioned us to audit the annual financial statements together with the accounting system and the status report for the financial year from 1st April 2014 to 31st March 2015.

2. We were also selected to carry out a business analysis of the asset, financial and income situation of the company in this report. We have presented this analysis in section 4.3 of this report.

3. The reasons for exclusion as per §§ 319, 319a, 319b HGB, §§ 49 and 53 WPO as well as §§ 20 as per our professional statute do not violate the audit request communicated to us.

4. As per § 321 Para 4a HGB, we confirm that we have followed the rules applicable for independence in our audit.

5. We have made this report conforming to the audit standard IDW PS 450 "Fundamental reporting principles for audits" of the Institut der Wirtschaftsprüfer e.V., Düsseldorf, (IDW).

6. The general contract conditions for auditors and auditing companies – version dated 1st January 2002 – enclosed as annex Vll, is the basis of our audit request. Our liability is limited as per § 323 Para 2 HGB. In relation to third parties, No. 1 Para 2 and No. 9 of the general contract conditions are decisive.

7. This report on the audit of the annual financial statements is not meant to be forwarded to third parties. If it is forwarded to a third party with our consent or is submitted to a third party, it is the responsibility of the company to agree with the third party in writing that the liability provisions should also be applicable to us for possible claims of the third party.

2. Statement for status assessment of the legal representative

8. From our point of view, the status report of the company contains the following core statements on the economic situation and business performance as well as for the future development with their essential chances and risks:

9.
   1. In January 2015, the company was renamed "KPIT medini Technologies AG" from "IKV++ Technologies AG". The renaming is the reflection of the advanced integration in the KPIT Group.
   2. KPIT medini Technologies could increase the overall performance by 14% as compared to the previous year, to TEuro 2002. The reason for the increase was the successful acquisition of new customers and the consolidation of existing business relations. Almost half the turnover was achieved due to the product "medini analyze". The planned increase in turnover and the planned positive result were achieved.
   3. Annual surplus amounting to TEuro 485 was achieved in the financial year 2014/2015. The sales return as a central financial performance indicator of corporate management has increased from 8% in the previous year to 23%.
   4. The operative cash-flow amounting to TEuro 209 was positive. The cash and cash equivalent was TEuro 157 on the balance sheet date. The promotional loan liabilities as compared to the IBB amounting to TEuro 320 were converted to a shareholder loan. The existing current account credit lines amounting to TEuro 180 in all were not availed on the balance sheet date.
   5. As opposed to the current assets amounting to T€ 1042, the short term liabilities were T€ 257.
   6. As an IT company, KPIT medini Technologies AG is exposed to the typical risks of this industry. These are new products by the competitors and the loss of know-how because of employees leaving the company. The company board faces these risks by holding a close interchange with the projects-in-charge and the personal and permanent integration in the essential decision making processes. The risk of bad debts/defaults is countered by firm demand management and dunning. The risk of high share of turnover to "medini analyze" is countered by further development, diversification of the use options and also greater integration of the tool in the existing application environments, to further develop the product into a standard tool.
   7. For the next year, the company board is expecting an overall performance of Euro 2.8 Mio. and an annual surplus before tax amounting to Euro 0.7 Mio.

10. We have ensured that the status report generally provides a true picture of the situation of the company and gives a correct picture of the future development with its essential chances and risks.

3. Object, type and scope of the audit

3.1 Object of the audit

11. As part of the audit request made to us, we have audited the accounting, the annual statements of account and the status report for compliance with the statutory requirements and the supplementary provisions of the articles of association.

12. The statutory representatives are responsible for the financial reporting and for the particulars furnished to us as auditors. Our task as auditors is to evaluate these documents together with the books of accounts and the particulars furnished to us as part of our mandatory audit assignment.

13. The audit of compliance with other statutory provisions only pertains to the tasks of our audit to the extent that there normally are repercussions on the annual financial statements or the status report arising from these other provisions.

14. A special audit for finding out irregularities in the financial and services transactions (embezzlement audit) was not the object to the audit. In the course of our activity, there were no clues that would have made special examinations necessary in this regard.

3.2 Type and scope of audit performance

15. We have carried out our audit as per § 317 HGB in compliance with German principles - laid down by the Institut der Wirtschaftsprüfer (IDW) – of proper execution of audit.

16. According to that, the audit must be planned and executed in such a manner that it can be safely assessed whether the accounting, the annual financial statements and the status report are free of significant defects. As part of the audit, evidence for the particulars in accounting, annual financial statements and the status report can be evaluated on the basis of samples.

17. The audit encompasses the assessment of the balancing, valuation and structuring principles applied and the relevant estimates of the company board as well as the appraisal of the overall presentation of the annual statements of account and the status report. We believe that our audit forms a sufficiently safe foundation for our audit opinion.

18. As part of our risk-oriented audit procedure, we first decided upon an audit strategy. This was based on an estimate of the company's environment and on the information of the company management about the essential goals and risks of the company.

19. The scope of the company's internal control system is adapted to the number and complexity of the business transactions. We have gained sufficient knowledge about how the business transactions are carried out and how the company management deals with the business risks.

20. The critical audit objectives identified in our audit strategy resulted in the following focal points of our audit:

- audit of the process of creation of the annual financial statements of account
- intrinsic value of the unbilled services as well as trade receivables
- completeness of reserves and liabilities
- completeness of the enclosure
- completeness of the status report

21. Our audit procedures comprised control-based audit procedures, analytical audits and individual assessments of individual items. If, as per our estimate, effective, functional controls were implemented and, along with that, adequate personal, computer-supported or mechanical controls ensured the correctness of the annual financial statements, we could significantly restrict our statement-related audit assessments with regard to individual cases, especially in the case of routine transactions.

22. We have also obtained confirmations from the credit institutes, affiliated companies and some clients and suppliers active on behalf of the company.

23. We have carried out our audit intermittently in the months from March to May 2015 and have completed the audit on 22nd May 2015.

24. We received all the clarifications and evidence that we requested from the statutory representatives, which was necessary for making professional judgement for carrying out the audit properly. The company board gave us a written confirmation of the completeness of the accounts, the annual financial statements and the status report in a management representation report that we obtained on 22nd May 2015.

4. Statements and declarations for accounting

4.1 Correctness of the accounting

4.1.1 Accounting and other audited documents

25. The company's books are kept in a proper manner. The document function is fulfilled. According to our assessments, the books of accounts and other audited documents meet the statutory requirements and the supplementary provisions of the articles of association.

26. The books of accounts are IT-supported; Lexware Financial Office plus is used for the same. As part of our audit, we have ascertained that the measures taken by the company are sufficient to guarantee the safety of the processed data relevant for accounting.

4.1.2 Annual statements of account

27. In the annual statements of account submitted to us, which have been prepared on 31st March 2015 as per German accounting provisions, all the statutory provisions applicable to financial accounting, including the fundamentals of proper bookkeeping and all the scale-related and legal form related regulations and standards of the articles of association have been taken into consideration.

28. As per our assessment, the balance sheet and profit and loss account of KPIT medini Technologies AG for the financial year from 1st April 2014 to 31st March 2015 have been derived properly form the books of accounts and from other audited documents.

29. The relevant provisions as regards approach, statements and appraisals have been complied with.

30. The enclosure contains all the prescribed information. Scale-related reliefs of § 288 HGB have been claimed where appropriate.

4.1.3 Status report

31. Our audit has shown that the status report is commensurate with the annual financial statements and with the knowledge gained in the course of our audit and gives an overall correct picture of the situation of the company. The essential chances and risks related to future development have been represented appropriately and the status report contains the information required as per § 289 Para 2 HGB.

4.2 Overall statement of the annual financial statements

4.2.1 Observations on the overall annual financial statement

32. In the overall assessment of the accounting and assessing methods and influencing measures employed by the company, we are convinced that the annual financial statement provides a picture of the asset, financial and income situation of the company that corresponds with the actual affairs, while complying with the fundamentals of proper bookkeeping.

4.2.2 Essential bases of assessment

33. The assessment methods employed in the last annual financial statement have been retained as per § 252 Para 1 No. 6 HGB.

34. The option of estimating the activated development costs for self-created intangible assets of the fixed assets as per § 248 Para 2 HGB was not exercised.

35. The unfinished services amounting to TEuro 121 (previous year: TEuro 22) are assessed with the manufacturing costs or the lower applicable value. The calculation of the manufacturing costs thus includes appropriate parts of the costs of general management as per the option of § 255 Para 2 Clause 3 HGB. Total overheads amounting to TEuro 32 have been considered. The surcharge rate applied for that was determined on the basis of empirical values. For loss-free evaluation, the ascertained manufacturing costs were compared to the performance level. Value adjustments were not required.

36. The trade receivables and receivables from affiliates amounting to TEuro 762 (previous year : TEuro 533) are assessed with the nominal value or the lower applicable value.

37. KPIT medini Technologies AG, being a small company as per § 274a No. 5 HGB, is exempt from the accounting of active and accrued deferred tax.The effects of the loss carried forward ought to be taken into consideration while generating the latent tax items.

4.2.3 Influencing measures

38. The conveyor loan from the Investitionsbank Berlin due on 31st December 2014 was repaid on time. For the repayment, an interest-bearing shareholder loan amounting to TEuro 320 was taken by the sole shareholder KPIT Technologies GmbH. The loan is to be repaid till 27th November 2017.

4.2.4 Five-year comparison of summarised, economic, significant figures

39.

		2014/2015	2013/2014	1/2013	2012	2011
Revenues	TEuro	1903	1795	304	1165	824
Gross output	TEuro	2002	1753	199	1434	1220
Material costs/related services	TEuro	56	59	3	90	167
of Gross output	%	3	3	2	6	14
Gross profit	TEuro	1946	1694	196	1344	1053
Personnel costs	TEuro	1347	1132	290	1024	953
of Gross output	%	67	65	146	71	78
Staff (incl. board)		19	15	17	16	16
Gross profit per employee	TEuro	102	113	12	84	66
EBIT*	TEuro	509	165	-151	36	-187
of Gross output	%	25	9	-76	3	-15
Annual result before a.o. result	TEuro	485	111	-157	14	-201
Profit-sales ratio**	%	23	8	-51	0	-24
Cash-flow from operating business activity	TEuro	209	39	-88	-102	-436
of sales	%	11	2	-29	-9	-53
Net Working Capital***	TEuro	784	-18	32	190	273
Equity capital	TEuro	484	0	-214	704	690
of total capital	%	45	0	-32	51	57

* Result before extraordinary earnings

** Profit before tax with regard to revenues plus income from group services

*** Current assets less short term borrowed capital

While compiling, it must be considered that the company has changed its business year and has shown a short, abbreviated financial year for the period from 1st January 2013 to 31st March 2013.

4.3 Analysis of the asset, financial and income situation

4.3.1 Asset position and capital structure

40. Asset position and the capital structure as well as changes in them as compared to the previous year can be seen from the following compilations of the balance sheet figures in TEuro for both the balance sheet dates of 31st March 2015 and 31st March 2014:

	31-3-2015		31-3-2014		Change
Assets	TEuro	%	TEuro	%	TEuro
Fixed Assets					
Tangible fixed assets	12	1.1	6	0.9	6
Current assets					
Orders in progress	121	11.4	22	3.3	99
Trade receivables	663	62.4	533	80.4	130
Receivables from affiliates	100	9.4	0	0.0	100
Other assets					
and current accruals	9	0.9	14	2.1	-5
Liquid assets	157	14.8	88	13.3	69
	1050	98.9	657	99.1	393
Total assets	**1062**	**100.0**	**663**	**100.0**	**399**

Liabilities	31-3-2015		31-3-2014		Change
	TEuro	%	TEuro	%	TEuro
Equity capital					
Share capital	117	11.0	117	17.6	0
Capital reserves	834	78.5	834	125.8	0
Revenue reserves	43	4.0	43	6.5	0
Loss carried forward	-995	-93.7	-1106	-166.8	111
Annual result	485	45.7	111	16.7	374
	484	45.5	-1	-0.2	485
Borrowed capital					
Reserves	147	13.8	133	20.1	14
Liabilities					
– against credit institutes	0	0.0	451	68.0	-451
– from advances received	26	2.4	17	2.6	9
– from payables	12	1.1	26	3.9	-14
– from affiliates	322	30.3	0	0.0	322
– miscellaneous	71	6.9	37	5.6	34
	578	54.5	664	100.2	-86
Total capital	**1062**	**100.0**	**663**	**100.0**	**399**

Deviating from the industry-related structure, the deficit not covered by equity capital is shown as negative equity capital for purpose of analyses.

41. As compared to the previous year, the total assets have increased by TEuro 399 or 60.1% to TEuro 1062. This increase can be ascribed mainly to the increase in orders-in-progress as well as increase in trade receivables against third parties and affiliated companies because of increased gross output.

42. The value of orders-in-progress amounting to TEuro 121 (previous year: TEuro 22) has increased by TEuro 99 as compared to the previous year. The balance sheet item concerns a publicly promoted EU project as well as diverse consulting projects which had not yet been finally settled on the balance sheet date. The assessment is done on the premise of loss-free assessment. The manufacturing costs from the EU funded project were estimated with the maximum funding rate.

43. The trade receivables amounting to TEuro 663 (previous year: TEuro 533) have increased by TEuro 130 or 24.4% as compared to the previous year. The increase can be ascribed to the increase in the gross output by 14% as well as to the effect of the cut-off date. The claims are only from the past financial year. Value adjustments were not done.

44. Receivables from affiliated companies amounting to TEuro 100 (previous year: TEuro 0), means exclusive receivables from the sole shareholder KPIT Technologies GmbH. The asset must be ascribed to miscellaneous operational revenues from group-internal reimbursement of cost. Value adjustments have not been made.

45. Liquid assets amounting to TEuro 157 (previous year: TEuro 88) have increased by TEuro 69 or 78.4% as compared to the previous year. In the liquid assets, bank deposits amounting to TEuro 11 (previous: TEuro 75) have been pledged for securing credit.

46. The balance sheet equity ratio of the company was 45.5% of the total capital on the balance sheet date as compared to -0.2% in the previous year.

47. The equity capital amounting to TEuro 484 (previous year: TEuro -1) has increased as compared to the previous year by the annual surplus of 2014/2015 amounting to TEuro 485. The annual surplus of the previous year was computed as per statute with the losses carried forward.

48. The company had external debt ratioof 54.5% (previous year: 100.2%) on 31st March 2015.

49. The borrowed capital comprises long term borrowed capital amounting to TEuro 320 and short term borrowed capital amounting to TEuro 258 together. Long term borrowed capital comprises a loan of the sole shareholder KPIT Technologies GmbH which is to be repaid till 27th November 2017.

50. The reserves only comprise other reserves amounting to TEuro 147 (previous year: TEuro 133) and have increased by TEuro 14 or 10.5% as compared to the previous year. The reserves pertain to provisions for personnel costs amounting to TEuro 122, for outstanding invoices amounting to TEuro 9, for audit expenses amounting to TEuro 8, for archiving costs amounting to TEuro 5 and for guarantees amounting to TEuro 3.

51. The liabilities against credit institutes/bank liabilities of the previous year from current account liabilities amounting in all to TEuro 31 and a short term money market credit amounting to TEuro 100 was repaid completely in the financial year 2014/2015. The final loan from the Investitionsbank Berlin-Brandenburg amounting to TEuro 320 was repaid when it became due and was replaced by a shareholder loan of KPIT Technologies GmbH.

The current account credit lines granted to the company by banks of TEuro 180 in all were not yet claimed on the balance sheet date.

52. The liabilities against affiliates amounting to TEuro 322 together comprise a long term interest-bearing loan of Euro 320 and interest liabilities amounting to Euro 2. The loan of the sole shareholder KPIT Technologies GmbH is to bear interest with the interest rate of the 6-month EURIBOR plus 1.5 basis points and has to be repaid till 27th November 2017. The loan is not secured.

4.3.2 Financial position

53. The following cash flow statement gives an overview of the origin and use of the financial resources of the audited company. This statement shows the cash flows as per the indirect method and corresponds to the principles of the German Accounting Standard No. 2 (DRS 2) laid down by the German Standardisation Council (DSR).

		2014/2015	2013/2014
		TEuro	TEuro
1.	**Operative area**		
	Annual result	485	111
	+ Depreciations	5	4
	+ Increase in provisions/reserves	14	86
	+ other cash expenses and income	0	74
	+ Loss from asset sales	0	64
	- Increase in orders in progress	-99	42
	- Increase in trade receivables	-130	-361
	- Increase in receivables from affiliates	-100	22
	+ Increase in advances received	9	-17
	- Decrease in the trade payables	-14	2
	+ Decrease in miscellaneous assets	2	-2
	- Increase in other liabilities	34	10
	- Increase in active accruals and deferrals	3	4
	Cash flow from ongoing business activity	209	39
2.	**Investments**		
	- Payments towards tangible assets and software	-11	-1
	Cash flow from investments	-11	-1
3.	**Financing activities**		
	- Decrease in bank liabilities	-451	5
	+ Payments received from increase in capital	0	103
	+ Increase in liabilities against affiliates	322	-100
	Cash flow from financing activities	-129	8
Total cash flow		69	46

Change in the liquid resources	
TEuro	
Balance on 1st April 2014	88
Change from January to March 2015	69
Balance on 31st March 2015	157

4.3.3 Income situation

54. The income statements' comparison derived from the profit and loss statement for the financial year from 1st April 2014 to 31st March 2015 and the financial year from 1st April 2013 to 31st March 2014 gives the following picture of the income situation and changes to it:

	2014/2015		2013/2014		Change
	TEuro	%	TEuro	%	TEuro
Sales	1903	95.1	1795	102.4	108
Change in inventory	99	4.9	-42	-2.4	141
Total output	2002	100.0	1753	100.0	249
Material costs	56	2.8	59	3.4	3
Gross profit	1946	97.2	1694	96.6	252
Personnel expenses	1347		1132		-215
Depreciations	5		4		-1
Other expenses less					
other income*	85		393		308
Operating income	509		165		344
Financial result	-14		-21		7
Result of from the usual					
business activity	495		144		351
Tax from income and revenue	10		33		23
Annual result	485		111		374
*including other taxes					

55. The gross output in the financial year 2014/2015 has increased by 14% to TEuro 2002 as compared to the previous year. This increase can be attributed to the increased market penetration of the in-house software products. Both, the sales and work-in-progress, showed a marked increase.

56. Sales amounting to TEuro 1903 (previous year: TEuro 1795)includes regionally sub-divided, as compared to the previous year, the following:

	2015	2014
	TEuro	TEuro
Germany	1024	972
European Union	152	68
Outside the EU	727	755
Total	1903	1795

57. The personnel expenses have increased by 19.0% because of increase in the average number of employees from 15 to 19 (including 2 membersof the board). The average personnel expenses have increased in relation to the total output to 67.3% (previous year 64.5%).

58. The result from operating expenses less operating income looks like this as compared to the previous year:

	2014/2015	**2013/2014**	**Change**
	TEuro	TEuro	TEuro
Other operating expenses			
Rent	97	80	17
Travel expenses	77	80	-3
Advertising and entertainment exp.	41	25	16
Insurance, fees,			
vehicle costs	30	30	0
Maintenance and device rental	6	4	2
Legal and consulting fees	7	5	2
Year-end costs and audit fees	8	9	-1
other administrative expenses	21	18	3
Value adjustments to claims	0	74	-74
Loss from disposal of financial assets	0	64	-64
Prior-period expenses	0	1	-1
Exchange rate differences	4	6	-2
miscellaneous taxes	1	1	0
miscellaneous	9	2	7
	327	423	-96
Other operating income			
Group output	212	0	212
Dissolution of reserves	1	14	-13
Benefits in kind	16	14	2
Exchange rate differences	12	1	11
miscellaneous	1	1	0
	242	30	212
	85	393	-308

59. Miscellaneous operating expenses have decreased by 23% because of the elimination of the one-time expenses in the previous year form the liquidation of ikv technologies japan K.K. (loss from the disposal of investment amounting to TEuro 64 and bad debts amounting to TEuro 72). Without the elimination of this one-time effect, the miscellaneous expenses have increased by TEuro 40 or 14%. The increase results mainly from leasing additional areas and increase in the sales costs and is directly connected to the increase in the total output.

60. Miscellaneous operating income has increased by TEuro 212. The reason for this increase is the group-internal services rendered in the form of cost transfers of personnel costs.

61. The taxes on income and profit amounting to TEuro 10 relate to the source taxes.

5. Reproduction of the concluding remarks and audit opinion

62. The unreserved concluding remarks made by us, attached in signed form as enclosure V to the annual financial statement of the company as on 31st March 2015, are reproduced here.

63. “Concluding remarks of the auditor

At KPIT medini Technologies AG:

We have audited the annual financial statements – comprising the balance sheet, profit and loss account and enclosure –together with the bookkeeping system and the status report of KPIT medini Technologies AG for the financial year from 1st April 2014 to 31st March 2015. The bookkeeping system and the preparation of the annual financial statements and status report as per German industry guidelines and additional stipulations of the statutes are the responsibility of the statutory representative of the company. Our task is to give an assessment of the annual financial statements together with the bookkeeping and also of the status report.

We have carried out our auditof the annual financial statements as per §317 HGB, in compliance with the German fundamentals of proper audit determined by the Institut der Wirtschaftsprüfer (IDW). Accordingly, the audit must be planned and executed such thatinaccuracies and violations, which significantly affect the presentation of the asset-, financial- and income situation provided by the annual financial statements - under compliance of the fundamentals of proper bookkeeping - and by the status report, can be safely detected. While determining the audit procedure, knowledge about the business activity and the economic and statutory environment of the company, as well as the expectations of possible errors are taken into consideration. As part of the audit, the effectiveness of the accounting-related internal control system as well as evidence of the information in the books of accounts, annual financial statements and status report are assessed mainly on the basis of samples. The audit encompasses the assessment of the accounting principles applied and the main estimates of the statutory representative as well as the appraisal of the overall picture of the annual financial statement and the financial report. We believe that our audit provides a sufficiently secure basis for our assessment.

Our audit did not give any cause for reservations.

As per our assessment, on the basis of the knowledge acquired during the course of the audit, the annual financial statements comply with the statutory provisions and the additional stipulations by the statutes and provide a picture of the asset-, financial- and income situation of the company in accordance with the actual circumstances, in compliance with the fundamentals of proper bookkeeping. The status report is consistent with the annual financial statements, presents an overall correct picture of the position of the company and also appropriately presents the chances and risks of future development.”

64. We have made this audit report in compliance with the statutory provisions and the fundamentals of proper reporting in case of auditing (IDW PS 450).

65. Use of these concluding remarks reproduced here outside this audit report requires our prior permission.

66. Publishing or forwarding the annual financial statements in a form deviating from the confirmed version (including translations in other languages) requires our fresh approval, so long as our concluding remarks are cited or our audit is referred to. In this respect, we refer to § 328 HGB.

Berlin 22nd May, 2015

HECHT & KOLLEGEN GMBH

AUDITING COMPANY

TAX CONSULTANCY COMPANY

[Signature]
Robert Zwirn
Auditor

[Signature]
Petra Wierzchowski
Auditor

Balance sheet as of 31st March 2015

for KPIT medini Technologies AG

Berlin

	March 31st 2015	March 31st 2014		March 31st 2015	March 31st 2014
	€	€		€	€
ASSETS			**SHAREHOLDERS' EQUITY AND LIABILITIES**		
A. FIXED ASSETS			**A. Shareholders´equity**		
I. Intangible assets			I. Subscribed capital	117,050.00	117,050.00
By purchase acquired concessions, industrial property and similar rights and assets, and licenses in such rights and assets	1.00	0.00	II. Capital rerserves	834,343.15	834,343.15
			III. Earnings reserves		
II. Tangible assets					
			1. Statutory reserve	8,980.00	8,980.00
Other equipment, factory and office equipment	12,006.00	5,914.50	2. Reserves provided for by the company by-laws	34,204.82	34,204.82
	12,007.00	5,914.50	IV. Cumulative losses brought forward	-995,047.31	-1,105,825.53
			V. Net income for the year / Net loss for the year	484,515.07	110,778.22
B. CURRENT ASSETS			VI. Deficit not covered by equity	0.00	469.34
I. Inventories				484,045.73	-0.00
Work in process	121,300.00	22,029.06			
			B. ACCRUALS		
II. Receivables and other assets			Other accruals	146,676.68	133,047.35
1. Trade receivables	662,629.28	532,767.52			
2. Receivables from affiliated companies	99,823.21	0.00	**C. ACCOUNTS PAYABLE**		
3. Other assets	587.03	3,140.89			
			1. Bank loans and overdrafts	0.00	450,983.64
III. Cash on hand, bank balances	157,414.80	87,828.78	2. Customer advances	26,437.13	16,996.55
	1,041,754.32	645,766.25	3. Trade payables	12,089.87	26,080.33
			4. Payables to affiliated companies	321,857.00	0.00
			5. Other liabilities	70,491.83	36,263.05
C. PREPAID EXPENSES AND DEFERRED CHARGES	7,836.92	11,220.83	- of which taxes: € 70.522,83 (year before: € 34.369,74)	430,875.83	530,323.57
			- of which social security payables: € 0,00 (year before: € 0,00)		
D. DEFICIT NOT COVERED BY EQUITY	0.00	469.34			
	1,061,598.24	663,370.92		1,061,598.24	663,370.92

Profit and Loss Statement as of April 1st, 2014 to March 31st, 2015 / as of January 1st, 2013 to March 31st, 2014

for KPIT medini Technologies AG

Berlin

		April 1st, 2014 - March 31st, 2015			April 1st, 2013 - March 31st, 2014		
		€	€	€	€	€	€
1.	Sales		1,902,519.67			1,795,184.27	
2.	Increase / Decrease in work in process		99,270.94			-42,074.66	
3.	Other operating income		242,105.07	2,243,895.68		29,789.82	1,782,899.43
	- of which income from foreign currency translation: € 11.869,06 (year before: € 1.036,21)						
4.	Cost of materials						
	Cost of raw materials, supplies and merchandise	1,013.67			4,986.31		
	Cost of purchased services	54,959.69	55,973.36		54,493.05	59,479.36	
5.	Personnel expenses						
	a) Wages and salaries	1,172,641.97			987,042.57		
	b) Social security	173,914.73	1,346,556.70		144,484.08	1,131,526.65	
6.	Depreciation of fixed intangible and tangible assets		5,187.00			4,479.28	
7.	Other operating expenses		326,697.75	1,734,414.81		422,005.29	1,617,490.58
	- of which expenses from foreign currency translation: € 3.592,49 (year before: € 5.794,00)			509,480.87			165,408.85
8.	Other interest and similar income		70.90			171.51	
9.	Interest and similar expenses		14,531.12	-14,460.22		21,666.99	-21,495.48
	- of which to affiliated companies: € 1.857,00 (year before: € 0,00)						
10.	Net operating income			495,020.65			143,913.37
11.	Taxes on income		9,903.58			32,506.15	
12.	Other taxes		602.00	10,505.58		629.00	33,135.15
13.	Net income for the year			484,515.07			110,778.22

Development of fixed assets as of April 1st, 2014 to March 31st, 2015

for KPIT medini Technologies AG

Berlin

		Costs of acquisition or manufacturing				Accumulated depreciation				Book values	
		April 1st, 2014	Additions	Retirements	March 31st, 2015	April 1st, 2014	Additions	Retirements	March 31st, 2015	March 31st, 2015	March 31st, 2014
		€	€	€	€	€	€	€	€	€	€
I.	**Intangible assets**										
	By purchase acquired concessions, industrial property										
	and similar rights and assets, and licenses in such										
	rights and assets	38,840.23	0.00	0.00	38,840.23	38,840.23	0.00	1.00	38,839.23	1.00	0.00
II.	**Tangible assets**										
	Other equipment, factory and office equipment	176,856.09	11,278.50	0.00	188,134.59	170,941.59	5,187.00	0.00	176,128.59	12,006.00	5,914.50
		215,696.32	11,278.50	0.00	226,974.82	209,781.82	5,187.00	1.00	214,967.82	12,007.00	5,914.50

KPIT Solutions GmbH

Registered Office: Detmolder Straße 235 33605 Bielefeld, Germany.

Board's Report

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the audited accounts for the financial year ended on March 31, 2015.

Financial Results

Particulars	From Jan 1, 2014 to March 31, 2015 Euro
Total Revenues	8,893,761
Net Profit /(Loss) for the period	232,149

100% shares of the Company were acquired by KPIT Technologies GmbH with effect from November 1, 2014 and therefore, this was the first financial year of the Company as a subsidiary of KPIT Technologies Limited.

Name Change

As a part of the branding strategy of the parent company, the name of the Company was changed to KPIT Solutions GmbH, during the year.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders on the financial statements. No audit opinion has been sought in respect of these financial statements. The accounts are prepared from the internally prepared management accounts of the Company. The same management accounts are audited in order for the Group Auditors to give an audit opinion in relation to the group accounts i.e. consolidated accounts of KPIT Technologies Limited, the parent company hence no separate audit report is given in respect of the Company.

For and on behalf of the Board of Directors

KPIT Solutions GmbH

Ulrich Heinzel
Managing Director

Sabine Schmidtke
Managing Director

April 27, 2015

Business information

1. **Business fundamentals**

KPIT Solutions GmbH does business in hardware and software distribution and in software development and implementation.

It had the following employees on the balance sheet date:

	31.12.2015	31.12.2014
Managing directors	2	2
Commercial employees	35	37
	37	39

2. **Development of net assets, financial position and results of operations**

To analyse net assets, financial position and results of operations, we organised the items in the balance sheet and income statement according to sound business practices and compared the most recent financial years.

This section is organised on the basis of the structure and sequence set out in HGB § 264 (2) sentence 1.

Rounding may result in differences between the arithmetically exact numbers and the numbers given in tables and references.

2.1 **Development of net assets**

a. **Standardised balance sheet**

The following table groups individual balance sheet items based on financial and economic criteria and compares them to the corresponding items from previous years.

The asset structure is presented by classifying items on the asset side of the balance sheet as fixed or current assets.

The capital structure is presented by classifying the items on the liabilities side of the balance sheet as shareholders' equity or liabilities, with liabilities sub-classified into long-term and current liabilities.

ASSETS	31.12.2015	31.12.2014
	€ '000	€ '000
Fixed assets		
Intangible assets	7	8
Tangible assets	42	49
	49	**57**
Current assets, readily convertible to cash		
Trade debtors	1,085	1,510
Other assets	107	102
Cash and cash equivalents/securities	699	137
	1,891	**1,749**
Current assets, other		
Stocks	18	18
Deferred income	23	0
	41	**18**
Total assets	**1,981**	**1,824**

EQUITY AND LIABILITIES	31.12.2014	31.12.2014
	€ '000	€ '000
Shareholders' equity		
Share capital	25	25
Retained earnings brought forward	357	178
Net income for the year	53	179
	435	**382**
Liabilities, non-current		
Bank loans, non-current	0	0
	0	**0**
Liabilities, current		
Provisions for taxations including deferred taxation	5	2
Other provisions	365	355
Payment received on account	26	8
Trade creditors	170	86
Other creditors including taxation and social security	133	183
Deferred income	847	808
	1,546	**1,442**
Total equity and liabilities	**1,981**	**1,824**

b. **Capital structure**

Definition:	Shareholders' equity as a % of total liabilities and equity (equity ratio) Debt as a % of total liabilities and equity (debt ratio) Liabilities as a % of shareholders' equity (debt/equity ratio)	
Purpose:	To assess the Company's capital structure	
Financial year	**31.12.2015**	**31.12.2014**
Equity ratio in %	22.0	21.0
Debt ratio in %	78.0	79.0
Debt/equity ratio in %	354.5	376.2

c. **Asset structure**

Definition:	Fixed assets as a % of total assets (fixed to total asset ratio) Current assets as a % of total assets (current to total asset ratio)
Purpose:	To assess the Company's asset structure

Financial year	31.12.2015	31.12.2014
Fixed to total asset ratio in %	2.5	3.1
Current to total asset ratio in %	97.5	96.9

d. **Debtors turnover (in days)**

Definition:	Average trade debtors x 360 days Turnover
Purpose:	To determine the average time to collect from customers

Financial year	2015	2014
Days	69.1	95.7

e. **Creditors turnover (in days)**

Definition:	Average trade creditors x 360 days Total purchases
Purpose:	To determine the average time to pay suppliers

Financial year	2015	2014
Days	23.0	56.5

2.2 Development of financial position

a. Cash flow statement

The following cash flow statement (prepared in conformity with Pronouncement HFA 1/1995 of the Institut der Wirtschaftsprüfer in Deutschland and German Accounting Standard GAS No. 2) shows the investing and financing activities of past financial years on the basis of "current cash and cash equivalents":

		2015	2014
		€ '000	€ '000
1.	**Profit or loss for the financial year**	53	179
2.	Depreciation, amortisation and write-downs of fixed assets/reversals of write-downs of fixed assets	9	27
3.	Increase/decrease in non-current provisions	0	0
4.	Other non-cash income/expenses	0	0
	Cash flow for the year	**62**	**206**
5.	Increase/decrease in current provisions	12	-69
6.	Loss/gain on disposal of tangible assets	0	0
7.	Increase/decrease in stocks, debtors and other assets	397	846
8.	Increase/decrease in creditors and other liabilities	92	-393
	Cash inflow/outflow from operating activities	**563**	**590**
9.	Proceeds from disposal of intangible assets	0	0
10.	Purchase of intangible assets	0	-5
11.	Proceeds from disposal of tangible assets	0	0
12.	Purchase of tangible assets	-1	-15
13.	Proceeds from disposal of financial assets	0	0
14.	Purchase of financial assets	0	0
	Cash inflow/outflow from investing activities	**-1**	**-20**
15.	Cash receipts from shareholders	0	0
16.	Cash payments to shareholders	0	0
17.	Cash proceeds from bank loans	0	0
18.	Cash repayments of bank loans	0	-500
	Cash inflow/outflow from financing activities	**0**	**-500**
19.	**Net change in cash funds**	**562**	**70**
20.	Cash funds at beginning of period	137	67
21.	**Cash funds at end of period**	**699**	**137**

Composition of cash funds:	31.12.2015	31.12.2014
	€ '000	€ '000
Cash at bank and in hand	699	137
Current liabilities to banks	0	0
	699	137

The cash funds at the beginning (no. 20) and end of the period (no. 21) are equal to the item "Cash at bank and in hand" and the current "Liabilities to banks". These cash and cash equivalents items rose € 562 thousand in the year under review.

b. **Quick ratio**

Definition:	Cash and cash equivalents + current debtors Current liabilities
Purpose:	To determine the degree to which current liabilities are covered by current assets that are readily convertible to cash

Financial year	31.12.2015	31.12.2014
%	122.3	121.3

2.3 Development of results of operations

a. Income overview

The following comparison of income items, obtained from the income statement, compares the results of operations over several years.

	2015	2014
	€ '000	€ '000
Turnover	1,691	7,203
Change in stock	0	-37
Gross revenue for the period	**1,691**	**7,166**
Total purchases	-501	-2,447
Gross profit	**1,190**	**4,719**
Other operating income	56	239
Staff costs	-799	-3,272
Depreciation written off tangible fixed assets	-9	-27
Other operating charges	-374	-1,448
Operating result	**64**	**211**
Interest payable	0	-17
Financial result	**0**	**-17**
Profit or loss on ordinary activities	**64**	**194**
Taxes on profit	-10	-9
Other taxes	-1	-6
Profit or loss for the financial year	**53**	**179**

b. **Return on equity**

Definition:	Profit or loss for the financial year + taxes on profit Shareholders' equity
Purpose:	To assess the return on capital provided by the shareholders

Financial year	2015	2014
%	14.5	49.3

c. **Return on assets**

Definition:	Profit or loss for the financial year + taxes on profit + interest payable Total liabilities and equity
Purpose:	To assess the return on all the capital employed by the Company

Financial year	2015	2014
%	3.2	11.2

d. **Return on turnover**

Definition:	Operating result Turnover
Purpose:	To determine the return on operating turnover

Financial year	2015	2014
%	3.8	2.9

e. **Staff to revenue ratio**

Definition:	Staff costs Gross revenue for the period
Purpose:	To analyse the use of employees

Financial year	2015	2014
%	47.3	45.7

D. Accounting / annual financial statements

The Company's accounts are kept electronically using the DATEV system "Kanzlei-Rechnungwesen pro".

The accounting and record-keeping conform to statutory regulations and German generally accepted accounting principles.

The Company's annual financial statements were prepared in accordance with the accounting principles for corporations under commercial law. Please see the notes for further information.

E. **Financial statement report**

We issue the following financial statement report on the annual financial statements for the 2015 short financial year of KPIT Solutions GmbH, showing a profit for the financial year of € 52,931.37:

German tax adviser's report regarding the preparation

"As per our engagement, we have prepared these annual financial statements - consisting of the balance sheet, income statement and notes – of KPIT Solutions GmbH for the financial year from 1 January 2015 to 31 March 2015 in compliance with the requirements of German commercial law and the supplemental provisions of the articles of association. The statements were prepared on the basis of the books maintained by us and other records, books and inventory records additionally submitted to us – which we did not audit as per our engagement – and the information provided to us. The Company's legal representatives are responsible for the bookkeeping and for drawing up the inventory list and annual financial statements in compliance with the requirements of German commercial law and the supplemental provisions of the articles of association.

We executed our engagement in compliance with IDW Standard: Principles for the Preparation of Annual Financial Statements (IDW S 7) and the pronouncement of the German Federal Chamber of Tax Advisers (Bundessteuerberaterkammer) on the principles for the preparation of annual financial statements. These principles cover the development of the balance sheet, income statement and notes on the basis of the accounts and inventory list as well as requirements regarding applicable accounting policies."

Bielefeld,

44/fr

BPP Becker Patzelt Pollmann

(Steffen Stötzel) (Jörg Behrendt)
German tax adviser German tax adviser

Appendices to the report

ASSETS

			31.03.2015	31.12.2014
			€	€
A.	**Fixed assets**			
	I.	Intangible assets		
		1. EDP Software	7,201.00	7,795.00
	II.	Tangible assets		
		1. Fixtures, fittings, tools and equipment	41,571.00	49,110.00
B.	**Current assets**			
I.	Stocks			
	1.	Work in progress	18,000.00	18,000.00
II.	Debtors and other assets			
	1.	Trade debtors	1,085,495.11	1,510,461.63
		- of which due in more than one year € 0.00 (prior year: € 0 thousand)		
	2.	Other assets	105,973.01	101,306.83
			1,191,468.12	**1,611,768.46**
		- of which due in more than one year € 0.00 (prior year: € 0 thousand)		
III.	Cheques, cash at bank and in hand, postal giro and central Bank balances		699,305.91	137,066.53
C.	**Deferred income**		23,398.91	0.00
			1,980,944.94	**1,823,739.99**

EQUITY AND LIABILITIES

			31.03.2015	31.12.2014
			€	€
A.	**Shareholders' equity**			
	I.	Share capital	25,000.00	25,000.00
	II.	Retained earnings brought forward	357,115.56	177,897.98
	III.	Profit or loss for the financial year	52,931.37	179,217.58
			435,046.93	**382,115.56**
B.	**Provisions**			
	1.	Provisions for taxations including deferred taxation	4,587.90	1,933.14
	2.	Other provisions	364,679.85	355,315.41
			369,267.75	**357,248.55**
C.	**Creditors**			
	1.	Payment received on account	26,428.58	8,400.00
		- of which due in one year or less € 26,428.58 (prior year: € 8 thousand)		
	2.	Trade creditors	169,857.37	85,694.96
		- of which due in one year or less € 169,857.37 (prior year: € 86 thousand)		
	3.	Other creditors including taxation and social security	133,580.73	182,030.78
			329,866.68	**276,125.74**
		- of which for taxes € 124,613.27 (prior year: € 181 thousand)		
		- of which for social security € 8,090.02 (prior year: € 0 thousand)		
		- of which due in one year or less € 133,580.73 (prior year: € 182 thousand)		
D.	**Deferred income**		**846,763.58**	**808,250.14**
			1,980,944.94	**1,823,739.99**

			2015	2014
			€	€
1.	Turnover		1,690,809.26	7,202,951.69
2.	Increase in stock of finished goods and work in progress		0.00	-37,481.00
3.	Other operating income		55,760.95	239,020.29
4.	Cost of materials			
	a)	Cost of raw materials, consumables and of purchased merchandise	492,728.37	2,124,903.39
	b)	Cost of purchased services	8,068.75	322,152.38
			500,797.12	**2,447,055.77**
5.	Staff costs			
	a)	Wages and salaries	690,392.42	2,804,037.93
	b)	Social security, pensions and other benefit costs	108,326.38	468,031.74
			798,718.80	**3,272,069.67**
	-	of which for pensions € 10,939.65 (prior year: € 4 thousand)		
6.	Depreciation			
	a)	Written off tangible and intangible fixed assets	8,959.83	26,623.88
7.	Other operating charges		374,214.33	1,447,941.71
8.	Other interest receivable and similar income		0.00	220.77
9.	Interest payable and similar charges		0.00	16,600.26
10.	Profit or loss on ordinary activities		**63,880.13**	**194,420.46**
11.	Taxes on profit		9,950.76	9,229.86
12.	Other taxes		998.00	5,973.02
			10,948.76	**15,202.88**
13.	Profit or loss for the financial year		52,931.37	179,217.58

Notes for the 2015 financial year

I. General disclosures

The Company is a small corporation as defined by HGB § 267. It took advantage of the size-related exemptions provided for small corporations in HGB § 264, § 274a and § 288 when preparing its annual financial statements.

A short financial year was established for the period from 1 January 2015 to 31 March 2015. The financial year was changed to a period other than the calendar year as of 31 March 2015 through the commercial register application made on 27 February 2015.

The balance sheet as of 31 March 2015 and the income statement for the period from 1 January 2015 to 31 March 2015 were prepared using the classification system for large corporations and the supplementary provisions set out in the articles of association.

The annual financial statements were prepared in accordance with the provisions of the German Accounting Law Modernisation Act (BilMoG).

II. Disclosures on accounting policies

1. These annual financial statements were prepared in general accordance with the classification and accounting policies set out in the German Commercial Code and followed in the prior year's financial statements.
2. Intangible assets and tangible fixed assets are carried at amortised or depreciated cost. The commercial annual financial statements follow the tax rules for low-value assets due to the relative unimportance of this item.
3. Services in progress are carried at the lower of cost or market. For the purposes of this item, "cost" refers to direct costs based on time sheets plus capitalisable indirect costs other than administrative overhead.
4. Debtors, other assets and cash and cash equivalents are carried at their nominal value.

   Risks inherent in trade debtors were duly accounted for, when necessary, by recognising bad debt allowances.
5. Shareholders' equity is recognised at par value.
6. The other provisions cover all identifiable risks and uncertain obligations and are carried at the settlement amount dictated by prudent business judgment (HGB § 253 (1)).
7. Liabilities are carried at their settlement amount.

III. Explanation of the balance sheet

1. The following statement of changes in fixed assets was prepared with regard to the fixed assets.
2. Debtors and other assets are due within one year.

	Cost					Depreciation						Carrying amounts	
	As of 01.01.2015	Additions	Disposals	Reclassifi-cations	As of 31.03.2015	As of 01.01.2015	Additions	Disposals	Reclassifi-cations	As of 31.03.2015	Write-ups Financial year	As of 31.03.2015	As of 31.12.2014
	€	€	€	€	€	€	€	€	€	€	€	€	€
A. Fixed assets													
I. Intangible assets													
1. EDP Software	21,674.88	0.00	9,942.63	0.00	11,732.25	13,879.88	586.00	9,934.63	0.00	4,531.25	0.00	7,201.00	7,795.00
Total intangible assets	**21,674.88**	**0.00**	**9,942.63**	**0.00**	**11,732.25**	**13,879.88**	**586.00**	**9,934.63**	**0.00**	**4,531.25**	**0.00**	**7,201.00**	**7,795.00**
II. Tangible assets													
1. Fixtures, fittings, tools and equipment	232,364.68	894.83	129,590.48	0.00	103,669.03	183,254.68	8,373.83	129,530.48	0.00	62,098.03	0.00	41,571.00	49,110.00
Total tangible assets	**232,364.68**	**894.83**	**129,590.48**	**0.00**	**103,669.03**	**183,254.68**	**8,373.83**	**129,530.48**	**0.00**	**62,098.03**	**0.00**	**41,571.00**	**49,110.00**
Total fixed assets	**254,039.56**	**894.83**	**139,533.11**	**0.00**	**115,401.28**	**197,134.56**	**8,959.83**	**139,465.11**	**0.00**	**66,629.28**	**0.00**	**48,772.00**	**56,905.00**

3. **The following statement of changes in liabilities lists the maturities and collateral provided for liabilities as of 31 March 2015:**

Balance sheet item as of 31.12.2015	Total amount	Of which due			
		Within 1 year	1 to 5 years	Over 5 years	Collateral
	€ '000	€ '000	€ '000	€ '000	
Payment received on account	26	26	0	0	0
Trade creditors	170	170	0	0	0
Other creditors including taxation and social security	134	134	0	0	0
Total	**330**	**330**	**0**	**0**	**0**

IV. Explanation of income statement

1. The income statement is classified using the total cost (nature of expense) method (HGB § 275 (2)).

V. Other disclosures

1. Managing directors Ulrich Heinzel and Sabine Schmidtke managed the Company in the 2015 short financial year.

Bielefeld,

Ulrich Heinzel (Managing Director) **Sabine Schmidtke** (Managing Director)

Analysis and explanation of the items in the annual financial statements for the period ended 31 March 2015

I. Explanation of the balance sheet as of 31 March 2015

The following section only explains items wherever necessary for their understanding.

Assets

A. Fixed assets

I. Intangible assets

1.	**EDP Software**		
	Changes disclosed in statement of changes in fixed assets		
	Composition of item:	**31.12.2015 €**	**31.12.2014 €**
	EDP Software	7,201.00	7,795.00
		7,201.00	**7,795.00**

II. Tangible assets

1.	**Fixtures, fittings, tools and equipment**		€ 41,571.00
	31.12.2014		€ 49,110.00
	Changes disclosed in statement of changes in fixed assets		
	Composition of item:	**31.12.2015€**	**31.12.2014€**
	Office equipment	14,658.00	15,835.00
	Office furniture	3,677.00	4,046.00
	Trade fixtures	9,904.00	10,548.00
	Other fixtures, fittings, tools and equipment	8,167.00	8,344.00
	Other means of transport	1.00	1.00
	Low-value assets (pooled item)	5,164.00	10,336.00
		41,571.00	**49,110.00**

B. Current assets

I. Stocks

1.	**Work in progress**		
	Composition of item:	**31.12.2015 €**	**31.12.2014 €**
	Services in progress	18,000.00	18,000.00
		18,000.00	18,000.00
II.	**Debtors and other assets**		
1.	**Trade debtors**		**€ 1,085,495.11**
	31.12.2014		€ 1,510,461.63
	Per trade debtor list		
2.	**Other assets**		**€ 105,973.01**
	31.12.2014		€ 101,306.83
	Composition of item:	**31.12.2015 €**	**31.12.2014 €**
	Security deposits	22,891.84	22,891.84
	Receivables from health insurance companies	2,083.97	0.00
	Tax overpayments	2,252.00	1,802.00
	Corporate income tax refund	73,036.00	73,036.00
	Advances to employees	1,428.20	1,436.49
	Other assets	4,281.00	2,140.50
		105,973.01	**101,306.83**

III.	**Cheques, cash at bank and in hand, postal giro and central bank balances**		
		31.12.2014	**31.12.2014**
	Composition of item:	**€**	**€**
	Cash at hand	214.88	107.45
	TaunusSparkasse # 51 009 622	0.00	13,107.31
	TaunusSparkasse # 51 010 809	0.00	791.59
	Bankverein Werther # 8301 223 300	0.00	123,060.18
	HypoVereinsbank # 15433962	699,091.03	0.00
		699,305.91	**137,066.53**
III.	**Deferred Income**		**€ 23,398.91**
	31.12.2014		€ 0.00

Equity and liabilities

A.	**Shareholders' equity**		
I.	**Share capital**		**€ 25,000.00**
	31.12.2014		€ 25,000.00
II.	**Retained earnings brought forward**		
		31.12.2015	**31.12.2014**
	Changes in item:	€	€
	As of 01.01.	177,897.98	596,620.45
	Net income for the prior year	179,217.58	-418,722.47
	As of 31.12.	357,115.56	177,897.98
III.	**Profit or loss for the financial year**		**€ 52,931.37**
	31.12.2014		€ 179,217.58
B.	**Provisions**		
1.	**Provisions for taxations including deferred taxation**		**€ 4,587.90**
	31.12.2014		€ 1,933.14
	Corporate income tax		

2.	**Other provisions**		
		31.12.2015	**31.12.2014**
	Composition of item:	**€**	**€**
	Provisions for staff costs	146,628.99	135,000.00
	Provisions for holiday (salaries)	75,764.73	49,273.54
	Provisions for warranties	29,300.00	32,100.00
	Provisions for period-end closing and audit	10,600.00	10,000.00
	Provisions for the retention of records	3,300.00	3,300.00
	Provision for statutory accident insurance	15,000.00	12,000.00
	Provision for travel costs	29,000.00	13,513.63
	Provision for outstanding invoices	55,086.13	100,128.24
		364,679.85	**355,315.41**
C.	**Creditors**		
1	**Payment received on account**		
		31.12.2015	**31.12.2014**
	Composition of item:	€	€
	Payment received on account	26,428.58	8,400.00
		26,428.58	**8,400.00**
2.	**Trade creditors**		**€ 169,857.37**
	31.12.2014		€ 85,694.96
	Per trade creditor balance list		

3.	**Other creditors including taxation and social security**		
		31.12.2015	**31.12.2014**
	Composition of item:	**€**	**€**
	Wage and church tax	39,004.28	37,784.05
	Social security	8,090.02	0.00
	Capital accumulation	27.44	68.00
	Security deposits received	850.00	850.00
	Tax office/value-added tax	85,608.99	143,328.73
		133,580.73	**182,030.78**
D.	**Deferred income**		**€ 846,763.58**
	31.12.2014		€ 808,250.14

II. Explanation of income statement from 1 January 2015 to 31 March 2015

1. Turnover

Composition of item:	2015	2014
	€	€
Turnover	512,708.24	1,748,693.26
Turnover – service	972,025.53	4,118,481.14
Turnover – licences	181,328.61	1,108,878.37
Turnover – licences MDS	0.00	44,325.00
Turnover from maintenance MDS	0.00	17,575.00
Turnover from maintenance MDS (third countries)	0.00	16,126.00
Turnover from services under UStG § 13b	6,000.00	126,762.19
Cash discounts granted	-896.39	-4,084.31
Non-taxable turnover in third countries	19,643.27	26,195.04
	1,690,809.26	**7,202,951.69**

2. Increase in stock of finished goods and work in progress		**€ 0.00**
2014		€ -37,481.00
Change in stock of services in progress		

3. Other operating income

Composition of item:	2015	2014
	€	€
Payments in kind	40,018.77	176,069.72
Real estate income	10,041.50	34,305.00
Insurance recoveries	806.68	4,552.53
Income from reversal of provisions	4,277.00	4,250.97
Income from written-off receivables	0.00	2,844.58
Income from sale of tangible assets	625.00	84.03
Currency translation gains	0.00	2,304.79
Miscellaneous income	0.00	5,314.75
Income from reduction of bad debt allowances	0.00	9,293.92
Book value of disposed fixed assets	-8.00	0.00
	55,760.95	**239,020.29**

4. Cost of materials

a) Cost of raw materials, consumables and of purchased merchandise

Composition of item:	2015	2014
	€	€
Maintenance/licences	492,728.37	2,060,096.11
Maintenance/licences MDS	0.00	64,815.60
Cash discounts received	0.00	-8.32
	492,728.37	**2,124,903.39**

b) Cost of purchased services

Composition of item:	2015	2014
	€	€
Outsourced services	8,068.75	322,152.38
	8,068.75	**322,152.38**

5. Staff costs

a) Wages and salaries

	2015	2014
Composition of item:	€	€
Wages and salaries	1,938.46	23,674.22
Salaries	524,500.25	2,237,664.45
Bonuses/commissions paid	123,516.09	333,669.81
Fringe benefits	45,188.00	184,784.40
Wages paid to temporary staff	0.00	400.00
Wages	0.00	1,261.13
Capital accumulation benefits	816.00	3,400.00
Commuter expense reimbursement	2,434.32	9,179.52
Flat wage tax	0.00	8.00
Other staff costs	0.00	2,988.00
Employer expense reimbursement	-8,000.70	-11,814.60
Services and benefits in kind provided to managing directors of shareholders	0.00	15,559.00
Flat taxes for mini-job workers	0.00	64.00
Wages for mini-jobs	0.00	3,200.00
	690,392.42	**2,804,037.93**

b) Social security, pensions and other benefit costs

	2015	2014
Composition of item:	€	€
Statutory social security costs	100,556.47	422,730.58
Fringe benefits	1,747.18	19,716.27
Contributions to statutory accident insurance scheme	3,000.00	12,000.00
Pensions	2,501.01	10,939.65
Flat wage tax	521.72	1,717.56
Social security for mini-job workers	0.00	927.68
	108,326.38	**468,031.74**

6. Depreciation

a) Written down tangible and intangible fixed assets	**€**	**8,959.83**
2014	€	26,623.88
Composition and changes disclosed in statement of changes in fixed assets		

7. Other operating charges

Composition of item:	2015	2014
	€	€
Costs of premises	43,119.01	183,563.05
Repairs and maintenance	1,746.39	6,153.03
Insurance, contributions and levies	4,544.10	17,551.18
Advertising and travel costs	116,332.99	394,111.91
Vehicle costs	112,260.75	499,313.53
Incidental distribution expenses	36,503.60	21,695.84
Miscellaneous operating charges	58,727.49	314,036.52
Other neutral expenses	0.00	115.88
Other expenses incurred during ordinary activities	980.00	860.00
Impairment losses or losses on disposal of current assets and transfers to bad debt allowances	0.00	10,540.77
	374,214.33	**1,447,941.71**

Costs of premises	2015	2014
	€	€
Costs of premises	0.00	2,317.93
Rent	37,847.85	161,800.42
Gas, power, water	2,999.66	9,261.47
Cleaning	2,271.50	10,183.23
	43,119.01	**183,563.05**

Repairs and maintenance	2015	2014
	€	€
Maintenance of company premises	0.00	347.70
Repair/maintenance of fixtures, fittings, tools and equipment	0.00	603.21
Maintenance costs for hardware and software	1,746.39	5,202.12
	1,746.39	**6,153.03**

Insurance, contributions and levies	2015	2014
	€	€
Insurance	1,479.92	15,593.86
Contributions	3,064.18	1,957.32
	4,544.10	**17,551.18**

Advertising and travel costs	2015	2014
	€	€
Advertising costs	18,052.05	53,849.83
Entertainment costs	3,972.32	11,956.53
Entertainment, in-house	18.69	2,145.90
Conference costs	0.00	1,140.18
Non-deductible entertainment costs	0.00	4,376.05
Employee travel costs	15,023.41	58,344.94
Employee travel costs, travelling costs	6,789.65	26,694.81
Employee travel costs, per diems	14,906.31	57,275.65
Employee travel costs, accommodation	57,570.56	177,943.09
Employee mileage reimbursement	0.00	384.93
	116,332.99	**394,111.91**

Vehicle costs	2015	2014
	€	€
Vehicle costs	112,260.75	499,313.53
	112,260.75	499,313.53

Incidental distribution expenses	2015	2014
	€	€
Sales commissions	36,503.60	20,955.84
Warranty expense	0.00	400.00
Selling expenses	0.00	340.00
	36,503.60	21,695.84

Miscellaneous operating charges	2015	2014
	€	€
Book value of disposed fixed assets with book profit	60.00	0.00
Compensatory levy under Severely Disabled Persons Act	0.00	4,800.00
Deductible charges accessory to taxes	1,814.50	230.77
Leasing expenses for chattel	17,620.43	79,404.25
Other operating charges	0.00	0.81
Postage	619.31	3,687.00
Telephone	15,023.12	65,925.12
Fax and internet costs	2,581.37	9,211.40
Office supplies	1,824.06	9,065.02
Magazines, books	322.88	1,501.21
Training costs	1,084.00	6,873.03
Legal consulting expenses	8,302.22	70,888.45
Bookkeeping expenses	778.75	11,424.18
Period-end closing costs	8,000.00	15,201.50
Incidental costs of monetary transactions	696.85	34,150.55
Business supplies	0.00	1,173.23
Administrative expenses	0.00	500.00
	58,727.49	314,036.52

Other neutral expenses	2015	2014
	€	€
Currency translation losses	0.00	115.88
	0.00	115.88

Other expenses incurred during ordinary activities	2015	2014
	€	€
Donations	980.00	860.00
	980.00	860.00

Impairment losses or losses on disposal of current assets and transfers to bad debt allowances	2015	2014
	€	€
Bad debt expenses	0.00	10,540.77
	0.00	10,540.77

8.	Other interest receivable and similar income		
	Composition of item:	2015	2014
		€	€
	Interest receivable on shareholder loans	0.00	40.77
	Interest receivable for AO § 233a, EStG § 4 (5b)	0.00	180.00
		0.00	220.77

9.	Interest payable and similar charges		
	Composition of item:	2015	2014
		€	€
	Interest payable and similar charges	0.00	562.41
	Interest payable for AO § 233a, EStG § 4 (5b)	0.00	548.00
	Interest payable for AO § 233a to § 237	0.00	208.00
	Other non-deductible charges accessory to taxes	0.00	18.00
	Interest payable for shareholder's loans	0.00	0.00
	Interest payable for non-current liabilities	0.00	15,263.85
		0.00	16,600.26

10.	Profit or loss on ordinary activities		€ 63,880.13
	2014		€ 194,420.46

11.	Taxes on profit	€	9,950.76
	2014	€	9,229.86
	Composition of item:	2015	2014
		€	€
	Corporate income tax	9,432.00	8,748.00
	Solidarity surcharge	518.76	481.14
	Corporate income tax for previous years	0,00	0.72
		9,950.76	9,229.86

12.	Other taxes	€	998.00
	2014	€	5,973.02
	Composition of item:	2015	2014
		€	€
	Vehicle tax	998.00	6,154.20
	Value-added tax for previous years	0.00	-181.18
		998.00	5,973.02

13.	Profit or loss for the financial year	€	52,931.37
	2014	€	179,217.58

Business information - Calendar Year 2014

1. Business fundamentals

KPIT Solutions GmbH does business in hardware and software distribution and in software development and implementation.

It had the following employees on the balance sheet date:

	31.12.2014	31.12.2013
Managing directors	2	2
Commercial employees	37	40
Temporary employees	0	1
	39	**43**

2. Development of net assets, financial position and results of operations

To analyse net assets, financial position and results of operations, we organised the items in the balance sheet and income statement according to sound business practices and compared the most recent financial years.

This section is organised on the basis of the structure and sequence set out in HGB § 264 (2) sentence 1.

Rounding may result in differences between the arithmetically exact numbers and the numbers given in tables and references.

2.1 Development of net assets

a. Standardised balance sheet

The following table groups individual balance sheet items based on financial and economic criteria and compares them to the corresponding items from previous years.

The asset structure is presented by classifying items on the asset side of the balance sheet as fixed or current assets.

The capital structure is presented by classifying the items on the liabilities side of the balance sheet as shareholders' equity or liabilities, with liabilities sub-classified into non-current and current liabilities.

ASSETS	31.12.2014	31.12.2013
	€ '000	€ '000
Fixed assets		
Intangible assets	8	5
Tangible assets	49	58
	57	**63**
Current assets, readily convertible to cash		
Trade debtors	1,510	2,319
Other assets	102	102
Cash and cash equivalents/securities	137	67
	1,749	**2,488**
Current assets, other		
Stocks	18	55
	18	**55**
Total assets	**1,824**	**2,606**

EQUITY AND LIABILITIES	31.12.2014	31.12.2013
	€ '000	€ '000
Shareholders' equity		
Share capital	25	25
Retained earnings brought forward	178	597
Net income for the year	179	-419
	382	**203**
Liabilities, non-current		
Bank loans, non-current	0	500
	0	**500**
Liabilities, current		
Provisions for taxations including deferred taxation	2	33
Other provisions	355	393
Payment received on account	8	0
Trade creditors	86	683
Other creditors including taxation and social security	183	231
Deferred income	808	563
	1,442	**1,903**
Total equity and liabilities	**1,824**	**2,606**

b. Capital structure

Definition:	Shareholders' equity as a % of total liabilities and equity (equity ratio) Debt as a % of total liabilities and equity (debt ratio) Liabilities as a % of shareholders' equity (debt/equity ratio)
Purpose:	To assess the Company's capital structure

Financial year	31.12.2014	31.12.2013
Equity ratio in %	21.0	7.8
Debt ratio in %	79.0	92.2
Debt/equity ratio in %	376.2	1,182.1

c. Asset structure

Definition:	Fixed assets as a % of total assets (fixed to total asset ratio) Current assets as a % of total assets (current to total asset ratio)
Purpose:	To assess the Company's asset structure

Financial year	31.12.2014	31.12.2013
Fixed to total asset ratio in %	3.1	2.4
Current to total asset ratio in %	96.9	97.6

d. Debtors turnover (in days)

Definition:	Average trade debtors x 360 days Turnover
Purpose:	To determine the average time to collect from customers

Financial year	2014	2013
Days	95.7	106.8

e. Creditors turnover (in days)

Definition:	Average trade creditors x 360 days Total purchases
Purpose:	To determine the average time to pay suppliers

Financial year	2014	2013
Days	56.5	127.8

2.2 Development of financial position

a. Cash flow statement

The following cash flow statement (prepared in conformity with Pronouncement HFA 1/1995 of the Institut der Wirtschaftsprüfer in Deutschland and German Accounting Standard GAS No. 2) shows the investing and financing activities of past financial years on the basis of "current cash and cash equivalents":

		2014	2013
		€ '000	€ '000
1.	**Profit or loss for the financial year**	179	-419
2.	Depreciation, amortisation and write-downs of fixed assets/reversals of write-downs of fixed assets	27	28
3.	Increase/decrease in non-current provisions	0	0
4.	Other non-cash income/expenses	0	0
	Cash flow for the year	**206**	**-391**
5.	Increase/decrease in current provisions	-69	-20
6.	Loss/gain on disposal of tangible assets	0	0
7.	Increase/decrease in stocks, debtors and other assets	846	-388
8.	Increase/decrease in creditors and other liabilities	-393	159
	Cash inflow/outflow from operating activities	**590**	**-640**
9.	Proceeds from disposal of intangible assets	0	0
10.	Purchase of intangible assets	-5	-3
11.	Proceeds from disposal of tangible assets	0	0
12.	Purchase of tangible assets	-15	-23
13.	Proceeds from disposal of financial assets	0	0
14.	Purchase of financial assets	0	0
	Cash inflow/outflow from investing activities	**-20**	**-26**
15.	Cash receipts from shareholders	0	0
16.	Cash payments to shareholders	0	0
17.	Cash proceeds from bank loans	0	500
18.	Cash repayments of bank loans	-500	0
	Cash inflow/outflow from financing activities	**-500**	**500**
19.	**Net change in cash funds**	**70**	**-166**
20.	Cash funds at beginning of period	67	233
21.	**Cash funds at end of period**	**137**	**67**

Composition of cash funds:	31.12.2014	31.12.2013
	€ '000	€ '000
Cash at bank and in hand	137	67
Current liabilities to banks	0	0
	137	67

The cash funds at the beginning (no. 20) and end of the period (no. 21) are equal to the item "Cash at bank and in hand" and the current "Liabilities to banks". These cash and cash equivalents items rose € 70 thousand in the year under review.

b. Quick ratio

Definition:	Cash and cash equivalents + current debtors Current liabilities
Purpose:	To determine the degree to which current liabilities are covered by current assets that are readily convertible to cash

Financial year	31.12.2014	31.12.2013
%	121.3	130.7

2.3 Development of results of operations

a. Income overview

The following comparison of income items, obtained from the income statement, compares the results of operations over several years.

	2014	2013
	€ '000	€ '000
Turnover	7,203	7,030
Change in stock	-37	-152
Gross revenue for the period	**7,166**	**6,878**
Total purchases	-2,447	-2,123
Gross profit	**4,719**	**4,755**
Other operating income	239	254
Staff costs	-3,272	-3,555
Depreciation written off tangible fixed assets	-27	-28
Other operating charges	-1,448	-1,855
Operating result	**211**	**-429**
Interest payable	-17	-28
Financial result	**-17**	**-28**
Profit or loss on ordinary activities	**194**	**-457**
Taxes on profit	-9	48
Other taxes	-6	-10
Profit or loss for the financial year	**179**	**-419**

b. Return on equity

Definition:	Profit or loss for the financial year + taxes on profit Shareholders' equity
Purpose:	To assess the return on capital provided by the shareholders

Financial year	2014	2013
%	49.3	-229.9

c. Return on assets

Definition:	Profit or loss for the financial year + taxes on profit + interest payable Total liabilities and equity
Purpose:	To assess the return on all the capital employed by the Company

Financial year	2014	2013
%	11.2	-16.8

d. Return on turnover

Definition:	Operating result Turnover
Purpose:	To determine the return on operating turnover

Financial year	2014	2013
%	2.9	-6.1

e. Staff to revenue ratio

Definition:	Staff costs Gross revenue for the period
Purpose:	To analyse the use of employees

D. Accounting / annual financial statements

The Company's accounts are kept electronically using the DATEV system "Kanzlei-Rechnungwesen pro".

The accounting and record-keeping conform to statutory regulations and German generally accepted accounting principles.

The Company's annual financial statements were prepared in accordance with the accounting principles for corporations under commercial law. Please see the notes for further information.

E. Financial statement report

We issue the following financial statement report on the annual financial statements for the 2014 financial year of KPIT Solutions GmbH, showing a profit for the financial year of € 179,217.58:

German tax adviser's report regarding the preparation

"As per our engagement, we have prepared these annual financial statements - consisting of the balance sheet, income statement and notes – of KPIT Solutions GmbH for the financial year from 1 January 2014 to 31 December 2014 in compliance with the requirements of German commercial law and the supplemental provisions of the articles of association. The statements were prepared on the basis of the books maintained by us and other records, books and inventory records additionally submitted to us – which we did not audit as per our engagement – and the information provided to us. The Company's legal representatives are responsible for the bookkeeping and for drawing up the inventory list and annual financial statements in compliance with the requirements of German commercial law and the supplemental provisions of the articles of association.

We executed our engagement in compliance with IDW Standard: Principles for the Preparation of Annual Financial Statements (IDW S 7) and the pronouncement of the German Federal Chamber of Tax Advisers (Bundessteuerberaterkammer) on the principles for the preparation of annual financial statements. These principles cover the development of the balance sheet, income statement and notes on the basis of the accounts and inventory list as well as requirements regarding applicable accounting policies."

Bielefeld, 26 March 2015

44/fr

BPP Becker Patzelt Pollmann

(Steffen Stötzel)	(Jörg Behrendt)
German tax adviser	German tax adviser

Notes for the 2014 financial year

I. General disclosures

The Company is a small corporation as defined by HGB § 267. It took advantage of the size-related exemptions provided for small corporations in HGB § 264, § 274a and § 288 when preparing its annual financial statements.

The balance sheet as of 31 December 2014 and the income statement for the period from 1 January 2014 to 31 December 2014 were prepared using the classification system for large corporations and the supplementary provisions set out in the articles of association.

The annual financial statements were prepared in accordance with the provisions of the German Accounting Law Modernisation Act (BilMoG).

II. Disclosures on accounting policies

1. These annual financial statements were prepared in general accordance with the classification and accounting policies set out in the German Commercial Code and followed in the prior year's financial statements.
2. Intangible assets and tangible fixed assets are carried at amortised or depreciated cost. The commercial annual financial statements follow the tax rules for low-value assets due to the relative unimportance of this item.
3. Services in progress are carried at the lower of cost or market. For the purposes of this item, "cost" refers to direct costs based on time sheets plus capitalisable indirect costs other than administrative overhead.
4. Debtors, other assets and cash and cash equivalents are carried at their nominal value.

   Risks inherent in trade debtors were duly accounted for, when necessary, by recognising bad debt allowances.
5. The other provisions cover all identifiable risks and uncertain obligations and are carried at the settlement amount dictated by prudent business judgment (HGB § 253 (1)).
6. Liabilities are carried at their settlement amount.

III. Explanation of the balance sheet

1. The following statement of changes in fixed assets was prepared with regard to the fixed assets.
2. Debtors and other assets are due within one year.

Statement of changes in fixed assets

	Cost				
	As of 01.01.2014	Additions	Disposals	Reclassifications	As of 31.12.14
	€	€	€	€	€
A. Fixed assets					
I. Intangible assets					
1. EDP Software	16,995.20	4,679.68	0.00	0.00	21,674.88
Total intangible assets	16,995.20	4,679.68	0.00	0.00	21,674.88
II. Tangible assets					
1. Fixtures, fittings, tools and equipment	216,747.48	15,617.20	0.00	0.00	232,364.68
Total tangible assets	**216,747.48**	**15,617.20**	**0.00**	**0.00**	**232,364.68**
Total fixed assets	**233,742.68**	**20,296.88**	**0.00**	**0.00**	**254,039.56**

Depreciation, amortisation and write-downs					Write-ups in financial year	Carrying amounts	
As of 01.01.2014	Additions	Disposals	Reclassifications	As of 31.12.14		As of 31.12.14	As of 31.12.13
€	€	€	€	€	€	€	€
12,011.20	1,868.68	0.00	0.00	13,879.88	0.00	7,795.00	4,984.00
12,011.20	1,868.68	0.00	0.00	13,879.88	0.00	7,795.00	4,984.00
158,499.48	24,755.20	0.00	0.00	183,254.68	0.00	49,110.00	58,248.00
158,499.48	24,755.20	0.00	0.00	183,254.68	0.00	49,110.00	58,248.00
170,510.68	26,623.88	0.00	0.00	197,134.56	0.00	56,905.00	63,232.00

3. **The following statement of changes in liabilities lists the maturities and collateral provided for liabilities as of 31 December 2014:**

Balance sheet item as of 31.12.2014	Total amount	Of which due			
		Within 1 year	1 to 5 years	Over 5 years	Collateral
	€ '000	€ '000	€ '000	€ '000	
Payment received on account	8	8	-	-	-
Trade creditors	86	86	-	-	
Other creditors including taxation and social security	182	182	-	-	-
Total	**276**	**276**	-	-	-

IV. Explanation of income statement

1. The income statement is classified using the total cost (nature of expense) method (HGB § 275 (2)).

V. Other disclosures

1. Managing directors Ulrich Heinzel and Sabine Schmidtke managed the Company in the 2014 financial year.

Bielefeld, 30 March 2015

Ulrich Heinzel
(Managing Director)

Sabine Schmidtke
(Managing Director)

KPIT Infosystems Inc.

Registered Office: 379, Thornall Street, Edison, NJ 08837, USA.

Board's Report

Dear Shareholders,

Your Board of Directors is pleased to present herewith the Fourteenth report of the Directors on the operations of the Company together with the audited accounts for the financial year ended on March 31, 2015.

Financial Results

Particulars	Year 2014-15 USD	Year 2013-14 USD
Total Revenues	139,413,700	134,569,923
Net Profit/(Loss) for the year	6,659,246	12,308,931

Operations

During the year under review, revenues of the Company increased by 4%. However, profits of the Company have decreased by 46%.

Acquisition

During the year under review, the Company acquired 100% of the shares in Integrated Industrial Information, Inc. D/B/A I-Cubed , a Product Lifestyle Management (PLM) software specialist with strong capabilities in PTC PLM as well as in other leading PLM platforms and associated offerings in USA.

Share Capital

During the year, the share capital of the Company increased to USD 55,709,854.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders. However, the Indian Companies Act, 2013 and the rules framed thereunder mandate audit of the books of accounts of the Company. Therefore, the Company appointed B S R & Co. LLP as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

For and on behalf of the Board of Directors
KPIT Infosystems Inc.

Pune
April 27, 2015

Kishor Patil
Chairman

Independent Auditors' Report

To the Board of Directors of
KPIT Infosystems Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of KPIT Infosystems Inc. ("the Company"), which comprise the Balance Sheet as at 31 March 2015 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. The financial statements have been prepared by the management in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Act in India.

Management's 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 generally accepted accounting principles (GAAP) in India and comply, as applicable to KPIT Technologies Limited, with the Accounting Standards ("AS") specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal controls 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 controls 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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 31 March 2015;

(b) in the case of the Statement of Profit and Loss, of the profit 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.

Emphasis of Matter

1. We draw attention to note 1.1 to the financial statements which more fully explains that these financial statements are Special Purpose Financial Statements prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India which are effective from financial periods beginning from 1 April 2014. As a result, the financial statements may not be suitable for any other purpose. Our opinion is not qualified in respect of this matter.
2. We draw attention to note 28 to the financial statements which more fully explains that the comparatives figures reported in these financial statements are unaudited. Our opinion is not qualified in respect of this matter.

For B S R & Co LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April 2015

Balance sheet as at

(Currency - USD)

	Note	31 March 2015	31 March 2014 (Refer Note 28)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	55,709,854	43,709,854
Reserves and surplus	3	17,625,603	10,966,357
		73,335,457	**54,676,211**
Non-current liabilities			
Long term borrowings	4	12,150,000	20,000,000
Long-term provisions	5	876,447	-
		13,026,447	**20,000,000**
Current liabilities			
Trade payables	6	29,061,093	30,583,271
Other current liabilities	7	16,710,689	14,036,856
Short-term provisions	8	851,640	965,846
		46,623,422	**45,585,973**
TOTAL		**132,985,326**	**120,262,184**
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	9A	453,210	83,362
intangible fixed assets	9B	-	-
Non-current investments	10	68,189,608	53,573,082
Deferred tax assets (net)	11	1,407,366	4,290,420
Long-term loans and advances	12	17,115,281	20,555,536
		87,165,465	**78,502,400**
Current assets			
Trade receivables	13	26,082,117	34,554,347
Cash and bank balances	14	4,961,248	3,703,143
Short-term loans and advances	15	8,488,363	2,609,884
Other current assets	16	6,288,133	892,410
		45,819,861	**41,759,784**
TOTAL		**132,985,326**	**120,262,184**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-28		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

For and on behalf of the Board of Directors of
KPIT Infosystems Inc.

Juzer Miyajwala
Partner
Membership No. 047483
Place: Pune
Date: 27 April 2015

Kishor Patil
Director
Place : Pune
Date: 27 April 2015

Sachin Tikekar
Director

Statement of Profit and Loss for the year ended

(Currency - USD)

	Note	31 March 2015	31 March 2014 (Refer Note 28)
Revenue from operations			
Sale of services	17	138,889,327	133,986,140
		138,889,327	133,986,140
Other income	18	524,373	583,783
Total revenue		**139,413,700**	**134,569,923**
Expenses			
Employee benefit expense	19	45,956,002	39,462,324
Finance costs	20	927,210	1,067,513
Depreciation and amortization expense	9	43,490	30,341
Other expenses	21	79,312,333	81,790,222
Total expenses		**126,239,035**	**122,350,400**
Profit before tax		**13,174,665**	**12,219,523**
Tax expense			
Current tax		3,632,365	4,009,856
Deferred tax (benefit) / charge		2,883,054	(4,099,264)
Total tax expense		**6,515,419**	**(89,408)**
Profit for the year		**6,659,246**	**12,308,931**
Basic earnings per share of no par value (in USD)	27	534.15	1,037.24
Diluted earnings per share of no par value (in USD)	27	534.15	1,037.24
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-28		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

For and on behalf of the Board of Directors of
KPIT Infosystems Inc.

Juzer Miyajwala
Partner
Membership No. 047483
Place: Pune
Date: 27 April 2015

Kishor Patil
Director
Place : Pune
Date: 27 April 2015

Sachin Tikekar
Director

Cash Flow Statement for the year ended

(Currency - USD)

PARTICULARS	31 March 2015	31 March 2014 (Refer Note 28)
A] CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	13,174,665	12,219,523
Adjustments for		
(Profit) / loss on sale of fixed assets (net)	-	662
Depreciation / Amortization	43,490	30,341
Interest income	(494,770)	(310,227)
Interest expense	927,210	1,067,513
	475,930	788,289
Operating Profit before working capital changes	13,650,595	13,007,812
Adjustments for changes in working capital:		
Increase / (Decrease) in Long-term provisions	876,447	-
Increase / (Decrease) in Trade payables	(1,522,178)	6,906,004
Increase / (Decrease) in Other current liabilities	2,649,735	809,622
Increase / (Decrease) in Short-term provisions	(199,382)	38,756
(Increase) / Decrease in Trade recievables	8,472,230	(1,688,564)
(Increase) / Decrease in Short-term loans and advances	(2,178,479)	(1,286,409)
(Increase) / Decrease in Other current assets	(5,858,998)	96,429
	2,239,375	4,875,838
Cash generated from operations	15,889,970	17,883,650
Taxes paid	(3,648,948)	(3,577,674)
Net cash from operating activities	**12,241,022**	**14,305,976**
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(413,338)	(28,164)
Investment in the shares of subsidiaries	(14,616,526)	(4,354,477)
Loan given to related parties	(1,400,000)	(14,587,265)
Repayment of loan by related parties	1,242,014	-
Interest received	958,045	310,227
Net Cash from /(used in) investing activities	**(14,229,805)**	**(18,659,679)**
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	12,000,000	-
Loan proceeds from related parties	(8,000,000)	3,245,302
Interest and finance charges	(753,113)	(735,771)
Net cash from /(used in) financing activities	3,246,887	2,509,531
Net Increase / (decrease) in cash and cash equivalents (A + B+ C)	**1,258,104**	**(1,844,172)**
Cash and cash equivalents at close of the year (refer note 1 below)	4,961,248	3,703,143
Cash and cash equivalents at beginning of the year (refer note 1 below)	3,703,143	5,547,315
Cash surplus / (deficit) for the year	1,258,105	(1,844,172)
Note 1:		
Cash and cash equivalents include:		
Cheques in hand	-	51,566
Balance with banks		
- In current accounts	4,961,248	3,651,577
Total Cash and cash equivalents (also refer note 14)	**4,961,248**	**3,703,143**
Note 2:		

Figures in brackets represent outflows of cash and cash equivalents.

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on cash flow statements.

As per our report of even date attached	For and on behalf of the Board of Directors of	
For B S R & Co. LLP	**KPIT Infosystems Inc.**	
Chartered Accountants		
Firm Registration Number 101248W / W-100022		
Juzer Miyajwala	**Kishor Patil**	**Sachin Tikekar**
Partner	Director	Director
Membership No. 047483		
Place: Pune	Place : Pune	
Date: 27 April 2015	Date: 27 April 2015	

Notes forming part of the financial statements

Company Overview:

KPIT Infosystems Inc. is a Company incorporated in the state of New Jersey, USA. The Company is a wholly owned subsidiary of KPIT Technologies Limited, India.

The Company provides Software Development, Global IT Consulting and Product Engineering Solutions to its clients, predominantly in Automotive & Transportation, Manufacturing and Energy & Utilities verticals.

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The financial statements are Special Purpose Financial Statements prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India and have been prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles (GAAP) in India and comply, as applicable to KPIT Technologies Limited, with the Accounting Standards ("AS") specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements are presented in US Dollars ("USD") and are rounded off to the nearest USD.

Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any difference between the actual results and estimates are recognised in the period in which the results are known/ materialize. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.2 Revenue recognition:

Revenue from software development and services on time and material basis is recognized based on software development, services rendered and billed to clients as per the contractual obligations. Revenue from fixed price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized based upon the proportionate completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from the sale of software products is recognized when the sale is completed with the passing of the ownership.

Interest income is recognized on time proportion basis.

Dividend income is recognized when the Company's right to receive dividend is established.

1.3 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

1.4 Current-non current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liability

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company is less than twelve months.

1.5 Fixed Assets:

Tangible fixed assets:

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Tangible fixed assets under construction are disclosed as capital work-in-progress.

Intangible fixed assets:

Goodwill that arises on an amalgamation or on the acquisition of a business is presented as an intangible asset. Goodwill arising from amalgamation is measured at cost less accumulated amortisation and any accumulated impairment loss. Such goodwill is amortised over its estimated useful life or five years whichever is shorter. Goodwill is tested for impairment annually.

Acquired intangible assets, which comprise expenditure incurred on acquisition of user licences for computer software are recorded at its acquisition price. The useful life of intangible assets is reviewed by management at each balance sheet date.

1.6 Depreciation / Amortisation :

Depreciation on tangible fixed assets is provided based on useful life in the manner specified below:

Type of asset	Useful life Number of years
Plant and equipment	4
Office Equipment	10
Furniture and fixtures	8

Perpetual Software licenses are amortized over 4 years. However, time-based software licenses are amortized over the license period. Capitalised development costs are amortized over a period of 4 to 5 years.

1.7 Accounting for taxes on income

Income tax

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the Statement of Profit and Loss. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws for the tax consolidation group, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available to the tax consolidation group against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

The Company is the parent entity of a tax consolidation group consisting of the Company and its subsidiaries CPG Solutions LLC, Sparta Consulting Inc. and Integrated Industrial Information Inc. The tax-consolidated group prepares a single consolidated annual tax return, and the parent entity is liable for the income tax liabilities for the group. Further, the Company does not assume an obligation to pay for transfer of any deferred tax assets or receive any consideration for the transfer of any deferred tax liabilities from / to other entities within the group other than where there is contractual arrangement between the entities. Accordingly, all current tax obligations for the group and deferred tax assets / deferred tax liabilities are recognised in its financial statements.

1.8 Impairment of Assets:

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other fixed assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

During the year under consideration, there was no indication, either internal or external as to the impairment of any of the assets.

1.9 Investments:

Long Term investments are stated at cost less provision for diminution, other than temporary, in value of such investments.

1.10 Leases

Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor, are classified as Operating Leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on straight line basis over the term of the lease.

1.11 Earnings per share:

The Company reports its basic and diluted earnings per share in accordance with Accounting Standard - 20 Earnings per Share.

Basic earnings per share is computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit for the period after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.12 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated at the year-end rates and the exchange differences so determined as also the realised exchange differences are recognised in the Statement of Profit and Loss.

1.13 Employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation carried out at each Balance Sheet date using the Projected Unit Credit Method.

1.14 Provisions, Contingent Liabilities and Contingent Assets:

As per Accounting Standard (AS) 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for -

(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) Present obligations that arise from past events but are not recognized because-

i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii. A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can 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.

Notes forming part of the financial statements

(Currency - USD)

		31 March, 2015	31 March, 2014
2	**Share capital**		
	Authorised:		
	100,000 shares common stock without par value		
	Issued, subscribed and paid-up:		
	12,467 (Previous year: 11,867) shares of common stock without par value fully paid up	55,709,854	43,709,854
		55,709,854	**43,709,854**
3	**Reserves and surplus**		
	Surplus in Statement of Profit and Loss		
	At the commencement of the year	15,062,273	2,753,342
	Add : Profit for the year	6,659,246	12,308,931
		21,721,519	15,062,273
	General Reserve		
	At the commencement of the year	(4,127,696)	(4,127,696)
	Add : Transferred during the year	-	-
		(4,127,696)	(4,127,696)
	Capital Reserve		
	At the commencement of the year	31,780	31,780
	Add : Transferred during the year	-	-
		31,780	31,780
	Total	**17,625,603**	**10,966,357**
4	**Long term borrowings**		
	Term loans		
	- From banks (Secured)	2,250,000	6,500,000
	Loans and advances from related parties (Unsecured) (Refer Note 25)		
	Loan from KPIT Technologies Limited	8,500,000	9,800,000
	Loan from Systime Computer Corporation, USA	-	2,300,000
	Loan from KPIT Technologies Corporation, Canada	1,400,000	1,400,000
		12,150,000	**20,000,000**

(Currency - USD)

		31 March, 2015	31 March, 2014
5	**Long term provisions**		
	Provision for employee benefits		
	- compensated absences	876,447	-
		876,447	**-**
6	**Trade payables**		
	Trade payables	29,061,093	30,583,271
		29,061,093	**30,583,271**
7	**Other current liabilities**		
	Current maturities of long term debt		
	- From banks (Unsecured)	4,250,000	3,500,000
	- From others (Unsecured)		
	- From KPIT Technologies Limited (Refer Note 25)	1,300,000	2,200,000
	Interest accrued but not due on borrowings	523,251	349,154
	Unearned revenue	1,596,984	15,415
	Accrued employee costs	3,199,583	2,693,039
	Payable to related parties (Refer note 25)	5,193,668	4,274,156
	Statutory liabilities	647,203	1,005,092
		16,710,689	**14,036,856**
8	**Short term provisions**		
	Provision for employee benefit		
	- Provision for compensated absences	218,792	418,174
	Provision for taxes		
	- Current tax (net of advance tax)	632,848	547,672
		851,640	**965,846**

9 Fixed Assets

(Currency - USD)

Particulars	GROSS BLOCK					Depreciation / Amortization / Diminution					NET BLOCK	
	As at 1 April 2014	Reclassification	Additions during the year 2014-15	Disposals during the year 2014-15	As at 31 March 2015	Up to 1 April 2014	Reclassification	For the year	On Disposals/ Adjustments	Up to 31 March 2015	As on 31 March 2015	As on 31 March 2014
A. TANGIBLE ASSETS												
Plant and equipment	137,775	(71,308)	411,907	-	478,374	61,049	(31,270)	54,576	-	84,355	394,019	76,726
Office Equipment	292	71,308	1,431	-	73,031	292	31,270	(11,520)	-	20,042	52,989	-
Furniture and Fixtures	22,675	-	-	-	22,675	16,039	-	434	-	16,473	6,202	6,636
TOTAL TANGIBLE ASSETS	**160,742**	**-**	**413,338**	**-**	**574,080**	**77,380**	**-**	**43,490**	**-**	**120,870**	**453,210**	**83,362**
B. INTANGIBLE ASSETS												
Goodwill	308,016	-	-	-	308,016	308,016	-	-	-	308,016	-	-
TOTAL INTANGIBLE ASSETS	**308,016**	**-**	**-**	**-**	**308,016**	**308,016**	**-**	**-**	**-**	**308,016**	**-**	**-**
TOTAL ASSETS	**468,758**	**-**	**413,338**	**-**	**882,096**	**385,396**	**-**	**43,490**	**-**	**428,886**	**453,210**	**83,362**
PREVIOUS YEAR	**678,912**	**-**	**28,164**	**238,318**	**468,758**	**592,711**	**-**	**30,341**	**237,656**	**385,396**	**83,362**	

(Currency - USD)

		31 March, 2015	31 March, 2014
10	**Non-current investments**		
	Trade investments (unquoted)		
	Investment in shares of Findant Inc.	342,136	342,136
	Less : Provision for diminution in value of investment	(342,136)	(342,136)
		-	-
	Investments in equity instruments of subsidiaries (at cost)		
	Investment in shares of KPIT Technologies Soluções Em Informática Ltda.	565,000	315,000
	Investment in shares of Sparta Consulting Inc., USA	38,098,832	38,098,832
	Investment in shares of CPG Solutions LLC. USA	15,159,250	15,159,250
	Investment in shares of Integrated Industrial Information Inc., USA	12,646,343	-
	Investment in shares of GAIA Systems Solutions Inc., Japan	1,720,183	-
		68,189,608	**53,573,082**
11	**Deferred tax asset (net)**		
	Break up of deferred tax liabilities at the year end		
	Arising on account of timing differences in		
	Provision for depreciation	(228,777)	285,014
	Accrued Payroll	-	1,045
	Interest on intercompany loan	-	9,764
	Prepaid expenses	-	29,654
	Total	**(228,777)**	**325,477**
	Break up of deferred tax assets at the year end		
	Arising on account of timing differences in		
	Provision for doubtful debts and advances	307,721	1,120,471
	Provision for leave encashment	534,854	725,205
	Accrued offshore payable	-	374,436
	Sparta Infotech India payable	-	1,273,479
	Accrued Commissions and Bonus	-	239,796
	Subcontractor	-	265,447
	Accrued Expenses	28,561	576,165
	Business loss	765,007	39,079
	Interest On loan - Intercompany	-	1,819
	Total	**1,636,143**	**4,615,897**
	Net deferred tax asset	**1,407,366**	**4,290,420**
12	**Long term loans and advances**		
	(Unsecured, considered good unless otherwise stated)		
	Loans to related parties (Refer note 25)		
	-Loan to Sparta Consulting Inc., USA	14,550,000	17,750,000
	-Loan to CPG Solutions LLC, USA	-	1,242,014
	-Loan to Integrated Information Inc., USA	900,000	-
	Loans and advances to other than related parties		
	Other loans and advances		
	- Advance taxes and tax deducted at source (net of provisions)	1,665,281	1,563,522
		17,115,281	**20,555,536**
13	**Trade receivables**		
	(Unsecured, considered good unless otherwise stated)		
	Outstanding for a period exceeding six months from the date they were due for payment		
	- Considered good	4,368,821	5,715,774
	- Considered doubtful	149,628	33,247
	Less: Provision for doubtful trade receivables	149,628	33,247
		4,368,821	5,715,774
	Others receivables		
	- Considered good	21,713,296	28,838,573
	- Considered doubtful	18,094	-
	Less: Provision for doubtful trade receivables	18,094	-
		21,713,296	28,838,573
		26,082,117	**34,554,347**

(Currency - USD)

		31 March, 2015	31 March, 2014
14	**Cash and bank balances**		
	Cash and cash equivalents		
	Cheques in hand	-	51,566
	Balances with banks		
	- In current account	4,961,248	3,651,577
		4,961,248	**3,703,143**
15	**Short term loans and advances**		
	(Unsecured, considered good unless otherwise stated)		
	Short term loans to related parties (Refer note 25)		
	-Loan to Sparta Consulting Inc., USA	3,700,000	-
	Others		
	To related parties (Refer note 25)		
	- Receivables from subsidiary companies	2,274,120	520,540
	To parties other than related parties		
	-employee advances	689,909	482,680
	-security deposits	74,628	31,186
	-prepaid expenses	404,996	263,726
	-advance to suppliers	1,344,710	1,311,752
		2,514,243	2,089,344
		8,488,363	**2,609,884**
16	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Unbilled revenue	5,464,462	532,014
	Interest accrued on loan	823,671	360,396
		6,288,133	**892,410**
17	**Revenue from operations**		
	Income from software services	138,889,327	133,986,140
		138,889,327	**133,986,140**
18	**Other income**		
	Interest income	494,770	310,227
	Foreign exchange gain (net)	19,786	-
	Other non operating income (including miscellaneous income)	9,817	273,556
		524,373	**583,783**
19	**Employee benefits expense**		
	Salaries, wages and bonus	45,792,921	39,340,603
	Staff welfare expenses	163,081	121,721
		45,956,002	**39,462,324**
20	**Finance costs**		
	Interest expense	927,210	1,067,513
		927,210	**1,067,513**
21	**Other expenses**		
	Travel and overseas expenses (net of recovery)	4,207,348	2,104,589
	Travelling and conveyance (net of recovery)	529,324	260,296
	Cost of service delivery	56,836,228	56,307,729
	Cost of professional subcontracting	11,412,059	17,561,422
	Recruitment and training expenses	739,401	581,672
	Power and fuel	249,743	212,777
	Rent including lease rentals (Refer note 26)	721,268	459,070
	Repairs & maintenance -		
	- plant and equipment	467	500
	- others	193,266	306,094
	Insurance	333,882	263,878
	Rates and taxes	120,545	332,021
	Communication expenses	503,557	315,904
	Legal and professional fees	728,484	493,464
	Marketing expenses	1,412,138	1,656,347
	Foreign exchange loss (net)	-	37,399
	Printing and stationery	26,036	22,864
	Provision for doubtful debts and advances (net)	134,475	1,300
	Loss on sale of fixed assets (net)	-	662
	Miscellaneous expenses	1,164,112	872,234
		79,312,333	**81,790,222**

22 Contingent liabilities:

Based on the deals already entered by the Company, the balance payout based on performance targets would be approximately USD 14 million.

23 Details of foreign currency exposures those are not hedged by a derivative instrument or otherwise:

Particulars	FY 2014-2015		FY 2013-2014	
	Amount in Foreign Currency	Equivalent amount in USD	Amount in Foreign Currency	Equivalent amount in USD
Trade payables including payables for purchase of fixed assets / dues to related parties				
AED	1,824	494	-	-
CAD	145,374	114,251	-	-
DKK	9,995	1,432	-	-
EUR	88,505	95,462	3,962	5,444
GBP	462,791	683,635	70,881	117,761
INR	13,602	218	55,466,086	922,900
CNY	-	-	275,704	56,559
Trade receivables / dues from related parties / unbilled revenue				
EUR	8,747	9,435	-	-
DKK	9,995	1,432	-	-
GBP	1,028	1,519	-	-
INR	1,011,121	16,154	-	-
JPY	82,621	688	-	-

24 Segment reporting

The Company primarily operates in its domestic market and hence there are no reportable geographical segments. Further, the Company is engaged in providing software and IT related services which is considered to be a single business segment.

25 Related party transactions:

A. Name of the related party and nature of relationship where control exists

Relationship	Name of related party
Holding Company	KPIT Technologies Limited, India
Subsidiary Companies (Direct Holding)	Sparta Consulting Inc., USA
	CPG Solutions LLC, USA
	Integrated Industrial Information Inc. USA
	KPIT Technologies Soluções Em Informática Ltda. (Formerly KPIT Infosystem (Brasil) Servicos De Technologia e Participacoes Ltda)

B. List of other related parties with whom there are transactions in the current year

Relationship	Name of related party
Holding Company	KPIT Technologies Limited, India
Subsidiary Companies	Sparta Consulting Inc. USA
	CPG Solutions LLC, USA
	Integrated Industrial Information Inc. USA
	KPIT Technologies Soluções Em Informática Ltda. (Formerly KPIT Infosystem (Brasil) Servicos De Technologia e Participacoes Ltda)
Fellow Subsidiary Companies	KPIT Technologies Corporation (Formerly SYSTIME Global Solutions Inc., Canada)
	KPIT Technologies France (formerly KPIT Infosystems France)
	SYSTIME Computer Corporation, USA
	KPIT (Shanghai) Software Technology Co. Limited, China
	KPIT Infosystems ME FZE, Dubai
	KPIT Technologies Netherlands B.V.
	KPIT Technologies (UK) Ltd (Formerly KPIT Infosystems Limited)
	KPIT Infosystems Limited Filial UK, Sweden
	KPIT Technologies GmbH, Germany

C. Transactions with related parties

Sr. no.	Name of the related party	Description of relationship	Nature of transaction	Amount of transaction (USD) 2014-15	Balance as at 31 March 2015 (USD)	Amount of transaction (USD) 2013-14	Balance as at 31 March 2014 (USD)
1	KPIT Technologies Limited, India	Holding company	Advance received (net)	281,885	(1,014,508)	528,510	(940,968)
			Reimbursement of expenses	3,480,388		2,795,655	
			Software service charges	50,580,583	(23,851,601)	53,641,440	(24,303,608)
			Sale of software services	28,601	28,543	-	-
			Repayment of loan (including interest)	2,519,229		254,698	
			Loan taken	-	(10,265,394)	8,500,000	(12,319,229)
			Interest expenses	551,483		319,229	
2	Sparta Consulting Inc. USA	Subsidiary company	Sale of software services	1,464,848	3,093,182	2,047,726	1,628,544
			Software service charges	276,313	1,033,160	1,515,681	(1,459,052)
			Loan given	500,000	19,065,856	17,750,000	19,065,856
			Interest income	462,143		353,712	
			Reimbursement of expenses	4,322,153	(3,402,708)	98,064	460,617

Sr. no.	Name of the related party	Description of relationship	Nature of transaction	Amount of transaction (USD) 2014-15	Balance as at 31 March 2015 (USD)	Amount of transaction (USD) 2013-14	Balance as at 31 March 2014 (USD)
3	CPG Solutions LLC, USA	Subsidiary company	Sale of software services	3,617,571	469,947	2,662,906	4,357,223
			Software service charges	1,041,323	(164,015)	1,071,573	(4,320,519)
			Reimbursement of expenses	110,568	39,093	13,215	(3,209,990)
			Loan given	1,750,000		1,250,000	
			Repayment of loan received (including interest)	3,023,510		2,000,000	
			Loan taken	-	-	(2,000,000)	1,248,698
			Interest expense on loan	-		7,986	
			Interest income on loan	24,812		6,684	
4	Integrated Industrial Information Inc. USA	Fellow subsidiary company	Interest income on loan	7,815	907,815	-	-
			Loan given	900,000		-	
			Reimbursement of expenses	773,074	(773,074)		
			Software service charges	214,369	(72,250)	-	-
5	KPIT Technologies Corporation (Formerly SYSTIME Global Solutions Inc., Canada)	Fellow subsidiary company	Software service charges	109,759	(106,243)	-	-
			Sale of software services	17,232	-	-	-
			Reimbursement of expenses	-	-	-	-
			Loan received	-	(1,449,276)	1,400,000	(1,404,665)
			Interest expenses	44,611		4,665	
6	KPIT Technologies France (Formerly KPIT Infosystems France)	Fellow subsidiary company	Sale of software services	183,882	51,934	-	-
			Software service charges	-	-	68,735	-
7	SYSTIME Computer Corporation, USA	Fellow subsidiary company	Sale of software services	790,503	289,138	-	-
			Loan taken	1,000,000		2,300,000	
			Interest expenses	87,764	-	12,053	(2,312,053)
			Loan given (including interest)	-		827,045	
			Repayment of loan (including interest)	3,399,817		1,443,233	
			Reimbursement of expenses	3,611,774	2,230,217	-	-
			Advance taken (net)	-	-	51,665	58,928
			Software service charges	3,134,690	(1,254,215)	-	-
8	KPIT (Shanghai) Software Technology Co. Limited, China	Fellow subsidiary company	Software service charges	280,236	(46,706)	267,819	(157,935)
9	KPIT Infosystems ME FZE, Dubai	Fellow subsidiary company	Software service charges	494	(494)	-	-
10	KPIT Technologies Netherlands B.V.	Fellow subsidiary company	Sale of software services	12,233	5,886	-	-
11	KPIT Technologies (UK) Ltd (Formerly KPIT Infosystems Limited)	Fellow subsidiary company	Software service charges	1,357,926	(683,935)	-	-
			Reimbursement of expenses	13,617	1,432	607,489	(117,754)
			Advance given (net)	863		-	
			Sale of software services	113,828	40,836	-	-
12	KPIT Infosystems Limited Filial UK, Sweden	Fellow subsidiary company	Sale of software services	6,560	-	-	-
13	KPIT Technologies Soluções Em Informática Ltda. (Formerly KPIT Infosystem (Brasil) Servicos De Technologia e Participacoes Ltda)	Subsidiary company	Software service charges	1,066,111	(81,522)	1,252,974	(205,028)
14	KPIT Technologies GmbH, Germany	Fellow subsidiary company	Software service charges	394,946	(56,985)	-	-
			Reimbursement of expenses	4,244	-	5,985	995
			Sale of software services	36,378	11,012	-	-

26 Lease transactions

Operating leases

Obligations towards non-cancellable operating Leases:

Particulars		FY 2014-15	FY 2013-14
Minimum lease payments			
- Not later than one year	USD	259,945	251,093
- later than one year and Not later than five years	USD	62,129	26,340
Total		**322,074**	**277,433**

Rental expense of USD 721,268 (previous year: USD 459,070) in respect of obligation under operating lease have been recognised in the Statement of Profit and Loss.

27 Basic and diluted earnings per share:

Particulars		FY 2014-15	FY 2013-14
Profit for the year after tax	USD	6,659,246	12,308,931
Profit attributable to shareholders	USD	6,659,246	12,308,931
Weighted average number of shares	No. of shares	12,467	11,867
Earnings per share - Basic and diluted	USD	534.15	1,037.24

28 Prior year comparitives

As the financial statements of the Company have been prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India which are effective from financial periods beginning from 1 April 2014, and were not required to be audited in the earlier periods the comparatives figures reported in the financial statement are unaudited.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April 2015

For and on behalf of the Board of Directors of
KPIT Infosystems Inc.

Kishor Patil
Director

Sachin Tikekar
Director

Place : Pune
Date: 27 April 2015

CPG Solutions, LLC

Registered Office: 1515 S. Federal Hwy, Suite 200, Boca Raton, FL 33432, USA.

Board's Report

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the audited accounts for the financial year ended on March 31, 2015.

Financial Results

Particulars	2014-15 USD	2013-14 USD
Total Revenues	23,653,421	32,913,672
Net Profit /(Loss) for the year	(4,100,395)	(92,866)

Operations

During the year under review, total revenues of the Company decreased by 28% resulting in increase in losses.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders. However, the Indian Companies Act, 2013 and the rules framed thereunder mandate audit of the books of accounts of the Company. Therefore, the Company appointed B S R & Co. LLP as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

For and on behalf of the Board of Directors
CPG Solutions, LLC

Kishor Patil
Chairman

Pune
April 27, 2015

Independent Auditors' Report

To the Board of Directors of

CPG Solutions, LLC

Report on the Financial Statements

We have audited the accompanying financial statements of CPG Solutions LLC ("the Company"), which comprise the Balance Sheet as at 31 March 2015 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. The financial statements have been prepared by the management in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Act in India.

Management's 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 generally accepted accounting principles (GAAP) in India and comply, as applicable to KPIT Technologies Limited, with the Accounting Standards ("AS") specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal controls 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 controls 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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 31 March 2015;

(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.

Emphasis of Matter

1. We draw attention to note 1.1 to the financial statements which more fully explains that these financial statements are Special Purpose Financial Statements prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India which are effective from financial periods beginning from 1 April 2014. As a result, the financial statements may not be suitable for any other purpose. Our opinion is not qualified in respect of this matter.
2. We draw attention to note 25 to the financial statements which more fully explains that the comparatives figures reported in these financial statements are unaudited. Our opinion is not qualified in respect of this matter.

For B S R & Co LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April 2015

Balance sheet as at

(Currency - USD)

	Note	31 March, 2015	31 March, 2014 (Refer Note 25)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	780,000	780,000
Reserves and surplus	3	2,436,521	6,536,916
		3,216,521	7,316,916
Non-current liabilities			
Long term borrowings	4	-	1,248,698
Long-term provisions	5	255,862	-
		255,862	1,248,698
Current liabilities			
Trade payables	6	1,091,908	5,355,963
Other current liabilities	7	1,828,365	2,175,437
Short-term provisions	8	66,035	239,577
		2,986,308	7,770,977
TOTAL		**6,458,691**	**16,336,591**
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	9A	111,979	126,479
Intangible fixed assets	9B	6,753	7,239
		118,732	133,718
Current assets			
Trade receivables	10	4,123,958	13,122,011
Cash and bank balances	11	1,797,145	1,043,605
Short-term loans and advances	12	293,142	1,827,630
Other current assets	13	125,714	209,627
		6,339,959	16,202,873
TOTAL		**6,458,691**	**16,336,591**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2 - 25		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

For and on behalf of the Board of Directors of
CPG Solutions, LLC

Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

Place : Pune
Date: 27 April 2015

Statement of Profit and Loss for the year ended

(Currency - USD)

	Note	31 March, 2015	31 March, 2014 (Refer Note 25)
Revenue from operations			
Sale of services	14	23,653,421	32,887,286
		23,653,421	32,887,286
Other income	15	-	26,386
Total revenue		**23,653,421**	**32,913,672**
Expenses			
Employee benefit expense	16	13,926,507	15,643,445
Finance costs	17	24,812	6,718
Depreciation and amortization expense	9	26,920	85,433
Other expenses	18	13,775,577	17,270,942
Total expenses		**27,753,816**	**33,006,538**
Loss before tax		**(4,100,395)**	**(92,866)**
Tax expense			
Current tax		-	-
Deferred tax benefit		-	-
Total tax expense		**-**	**-**
Loss for the year		**(4,100,395)**	**(92,866)**
Basic loss per unit (in USD)	25	**(4,100.40)**	**(92.87)**
Diluted loss per unit (in USD)	25	**(4,100.40)**	**(92.87)**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2 - 25		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
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For and on behalf of the Board of Directors of
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Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

Place : Pune
Date: 27 April 2015

Cash Flow Statement for the year ended

(Currency - USD)

PARTICULARS	31 March, 2015	31 March, 2014 (Refer Note 25)
A] CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	(4,100,395)	(92,866)
Adjustments for		
Depreciation / Amortization / Diminution	26,920	85,433
Interest income	-	(4,549)
Interest expense	24,812	6,718
Operating Profit before working capital changes	(4,048,663)	(5,264)
Adjustments for changes in working capital:		
Increase / (Decrease) in Long Term Provisions	255,862	-
Increase / (Decrease) in Trade Payables	(4,264,055)	1,621,119
Increase / (Decrease) in Other Current Liabilities	(347,072)	848,384
Increase / (Decrease) in Short Term Provisions	(173,542)	239,577
(Increase) / Decrease in Trade Recievables	8,998,053	(5,737,441)
(Increase) / Decrease in Short term Loans and Advances	1,534,488	977,641
(Increase) / Decrease in Other Current Assets	83,913	(159,621)
Cash generated from operations	6,087,647	(2,210,341)
Net cash from operating activities (A)	**2,038,984**	**(2,215,605)**
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(11,934)	(57,300)
Interest received	-	4,549
Net Cash from /(used in) investing activities (B)	**(11,934)**	**(52,751)**
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term loan (other than bank)	(1,248,698)	1,248,698
Interest and finance charges	(24,812)	(6,718)
Net cash from /(used in) financing activities (C)	**(1,273,510)**	**1,241,980**
Net Increase / (decrease) in cash and cash equivalents (A + B+ C)	**753,540**	**(1,026,376)**
Cash & cash equivalents at close of the year (refer note 1 below)	1,797,145	1,043,605
Cash & cash equivalents at beginning of the year (refer note 1 below)	1,043,605	2,069,981
Cash surplus / (deficit) for the year	**753,540**	**(1,026,376)**
Note 1:		
Cash and cash equivalents include:		
Cheques in Hand	589,208	11,900
Balance with banks		
- In current accounts	1,207,937	1,031,705
Total Cash and cash equivalents	**1,797,145**	**1,043,605**
Note 2:		
Figures in brackets represent outflows of cash and cash equivalents.		
Note 3:		
The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on cash flow statements.		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

For and on behalf of the Board of Directors of
CPG Solutions, LLC

Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

Place: Pune
Date: 27 April 2015

Notes forming part of the financial statements

Company Overview:

CPG Solutions LLC is a Company incorporated in the state of Florida, USA. The Company is a wholly owned subsidiary of KPIT Infosystems Inc., USA. The ultimate holding company is KPIT Technologies Limited, India.

The Company is engaged in the business of providing software consultancy services in the areas of Enterprise Resource Planning, Supply Chain Management, Business Intelligence, Product Lifecycle Management .

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The financial statements are Special Purpose Financial Statements prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India and have been prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles (GAAP) in India and comply, as applicable to KPIT Technologies Limited, with the Accounting Standards ("AS") specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements are presented in US Dollars ("USD") and are rounded off to the nearest USD.

Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any difference between the actual results and estimates are recognised in the period in which the results are known/ materialize. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.2 Revenue recognition:

Revenue from software development and services on time and material basis is recognized based on software development, services rendered and related costs incurred based on timesheets and are billed to clients as per the contractual obligations. Revenue from fixed price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized based upon the proportionate completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from the sale of software products is recognized when the sale is completed with the passing of the ownership.

Interest income is recognized on time proportion basis.

1.3 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

1.4 Current-non current classification

All assets and liabilities are classified into current and non-current.

Asset

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liability

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company is less than twelve months.

1.5 Fixed Assets:

Tangible fixed assets:

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Tangible fixed assets under construction are disclosed as capital work-in-progress.

Intangible fixed assets:

Acquired intangible assets, which comprise expenditure incurred on acquisition of user licences for computer software are recorded at its acquisition price. The useful life of intangible assets is reviewed by management at each Balance Sheet date.

1.6 Depreciation/Amortisation:

Depreciation on tangible fixed assets is provided based on useful life in the manner specified below:

Type of asset	Useful life Number of years
Plant and equipment	4
Furniture and fixtures	8
Office equipments	10

Leasehold improvements are amortized over the period of the lease.

Perpetual Software licenses are amortized over 4 years. However, time-based software licenses are amortized over the license period. Capitalised development costs are amortized over a period of 4 to 5 years.

1.7 Accounting for taxes on income

Current Tax / Deferred Tax

The Company is a part of a tax consolidation group consisting of KPIT Infosystems Inc (the holding company or the parent entity), the Company and its fellow subsidiaries Sparta Consulting Inc. and Integrated Industrial Information Inc. The tax-consolidated group prepares a single consolidated annual tax return, and the parent entity is liable for the income tax liabilities for the group. Further, as the Company does not receive any consideration for the transfer of any deferred tax assets or assume an obligation to pay for transfer of any deferred tax liabilities, it does not recognise deferred tax assets / liabilities in its financial statements.

1.8 Impairment of Assets:

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other fixed assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

During the year under consideration, there was no indication, either internal or external as to the impairment of any of the assets.

1.9 Leases

Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor, are classified as Operating Leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on straight line basis over the term of the lease.

1.10 Earnings per share:

The Company reports its basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings per Share.

Basic earnings per share is computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit for the period after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.11 Employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation carried out at each Balance Sheet date using the Projected Unit Credit Method.

Non-current liability towards compensated absences is appearing in current year due to change in the policy during the year.

1.12 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated at the year-end rates and the exchange differences so determined as also the realised exchange differences are recognised in the Statement of Profit and Loss.

1.13 Provisions, Contingent Liabilities and Contingent Assets:

As per Accounting Standard (AS) 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for -

(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) Present obligations that arise from past events but are not recognized because-

i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii. A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can 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.

(Currency - USD)

		31 March, 2015	31 March, 2014 (Refer Note 25)
2	**Share capital**		
	Issued, subscribed and paid-up:		
	1,000 (previous year 1,000) units	780,000	780,000
		780,000	**780,000**
3	**Reserves and surplus**		
	Surplus in Statement of Profit and Loss		
	At the commencement of the year	6,536,916	6,629,782
	Add : Loss for the year	(4,100,395)	(92,866)
		2,436,521	**6,536,916**
4	**Long term borrowings**		
	Loans and advances from related parties (Unsecured) (Refer note 22)		
	Loan from KPIT Infosystems Inc.	-	1,248,698
		-	**1,248,698**
5	**Long term provisions**		
	Provision for employee benefits		
	- compensated absences	255,862	-
		255,862	**-**
6	**Trade payables**		
	Trade payables	1,091,908	5,355,963
		1,091,908	**5,355,963**
7	**Other current liabilities**		
	Unearned revenue	39,075	55,267
	Accrued employee costs	1,486,868	1,607,767
	Payable to related parties (Refer note 22)	39,093	13,215
	Statutory liabilities	263,329	499,188
		1,828,365	**2,175,437**
8	**Short term provisions**		
	Provision for employee benefit		
	- Provision for compensated absences	66,035	239,577
		66,035	**239,577**

9 Fixed Assets

Particulars	GROSS BLOCK					Depreciation / Amortization					NET BLOCK	
	As at 1 April 2014	Reclassification	Additions during the year 2014-15	Disposals during the year 2014-15	As at 31 March 2015	Up to 1 April 2014	Reclassification	For the year	On Disposals/ Adjustments	Up to 31 March 2015	As on 31 March 2015	As on 31 March 2014
A. TANGIBLE ASSETS												
Land (leasehold)	27,838	(27,838)	-	-	-	14,687	(14,687)	-	-	-	-	13,151
Leasehold Improvements	-	27,838	-	-	27,838	-	14,687	5,078	-	19,765	8,073	-
Furniture and Fixtures	46,614	(6,855)	-	-	39,759	26,635	(4,002)	(2,792)	-	19,841	19,918	19,979
Office Equipments	-	24,758	-	-	24,758	-	16,850	(8,442)	-	8,408	16,350	-
Plant and Equipment	278,713	(17,903)	10,030	-	270,840	185,364	(12,848)	30,686	-	203,202	67,638	93,349
TOTAL TANGIBLE ASSETS	**353,165**	**-**	**10,030**	**-**	**363,195**	**226,686**	**-**	**24,530**	**-**	**251,216**	**111,979**	**126,479**
B. INTANGIBLE ASSETS												
Softwares	73,929	-	1,904	-	75,833	66,690	-	2,390	-	69,080	6,753	7,239
TOTAL INTANGIBLE ASSETS	73,929	-	1,904	-	75,833	66,690	-	2,390	-	69,080	6,753	7,239
TOTAL ASSETS	**427,094**	**-**	**11,934**	**-**	**439,028**	**293,376**	**-**	**26,920**	**-**	**320,296**	**118,732**	**133,718**
PREVIOUS YEAR	**369,793**	**-**	**57,301**	**-**	**427,094**	**207,943**	**-**	**85,433**	**-**	**293,376**	**133,718**	

(Currency - USD)

		31 March, 2015	31 March, 2014 (Refer Note 25)
10	**Trade receivables**		
	(Unsecured, considered good unless otherwise stated)		
	Outstanding for a period exceeding six months from the date they were due for payment		
	- Considered good	475,385	3,058,906
	- Considered doubtful	601,580	-
	Less: Provision for doubtful trade receivables	601,580	-
		475,385	3,058,906
	Others receivables		
	- Considered good	3,648,573	10,063,105
	- Considered doubtful	-	817,758
	Less: Provision for doubtful trade receivables	-	817,758
		3,648,573	10,063,105
		4,123,958	**13,122,011**
11	**Cash and bank balances**		
	Cash and cash equivalents		
	Cheques in hand	589,208	11,900
	Balances with banks		
	- In current account	1,207,937	1,031,705
		1,797,145	**1,043,605**
12	**Short term loans and advances**		
	(Unsecured, considered good unless otherwise stated)		
	To related parties (Refer note 22)		
	- Receivables from subsidiary company	180,562	1,666,487
	To parties other than related parties		
	-employee advances	3,735	5,541
	-security deposits	6,280	-
	-prepaid expenses	90,765	139,002
	-advance to suppliers	11,800	16,600
		112,580	161,143
		293,142	**1,827,630**
13	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Unbilled revenue	125,714	209,627
		125,714	**209,627**
14	**Revenue from operations**		
	Income from software services	23,653,421	32,887,286
		23,653,421	**32,887,286**
15	**Other income**		
	Interest income	-	4,549
	Foreign exchange gain (net)	-	18,277
	Other non operating income (including miscellaneous income)	-	3,560
		-	**26,386**
16	**Employee benefits expense**		
	Salaries, wages and bonus	13,888,366	15,593,154
	Staff welfare expenses	38,141	50,291
		13,926,507	**15,643,445**
17	**Finance costs**		
	Interest expense	24,812	6,718
		24,812	**6,718**

(Currency - USD)

		31 March, 2015	31 March, 2014 (Refer Note 25)
18	**Other expenses**		
	Travel and overseas expenses (net of recovery)	2,428,081	2,001,657
	Travelling and conveyance (net of recovery)	241,378	629,425
	Cost of service delivery	4,368,031	2,846,807
	Cost of professional subcontracting	6,118,026	10,038,825
	Recruitment and training expenses	68,208	95,765
	Rent including lease rentals (Refer note 23)	80,432	80,364
	Repairs & maintenance -		
	- machinery	59,333	143,899
	- others	967	5,368
	Insurance	33,093	48,769
	Rates and taxes	1,971	1,874
	Communication expenses	144,737	159,935
	Legal and professional fees	69,319	129,029
	Marketing expenses	93,956	99,076
	Foreign exchange loss (net)	8,571	-
	Printing and stationery	1,159	17,214
	Bad debts written off	37,197	133,695
	Provision for doubtful debts and advances (net)	-	817,758
	Miscellaneous expenses	21,118	21,482
		13,775,577	**17,270,942**

19 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2015.

20 Details of foreign currency exposures those are not hedged by a derivative instrument or otherwise:

Particulars	FY 2014-2015		FY 2013-2014	
	Amount in Foreign Currency	Equivalent amount in USD	Amount in Foreign Currency	Equivalent amount in USD
Trade payables including payables for purchase of fixed assets				
CAD	4,728	3,716	2,338	2,104
EUR	293	316	-	-
GBP	113	167	-	-
Trade receivables				
CAD	15,572	12,238	-	-
EUR	3,083	3,325	-	-
INR	991,497	15,841	-	-

21 Segment reporting

The Company primarily operates in its domestic market and hence there are no reportable geographical segments. Further, the Company is engaged in providing software and IT related services which is considered to be a single business segment.

22 Related party transactions:

A. Name of the related party and nature of relationship where control exists

Relationship	Name of related party
Ultimate Holding Company	KPIT Technologies Limited, India
Holding Company	KPIT Infosystems Inc., USA

B. List of other related parties with whom there are transactions in the current year

Relationship	Name of related party
Holding Company	KPIT Infosystems Inc., USA
Fellow Subsidiary Companies	KPIT Technologies France (erstwhile KPIT Infosystems France)
	KPIT Technologies Corporation, Canada (erstwhile SYSTIME Global Solutions Inc., Canada)
	KPIT Technologies (UK) Ltd (erstwhile KPIT Infosystems Limited)
	Systime Computer Corporation,USA

C. Transactions with related parties

Sr. no.	Name of the related party	Description of relationship	Nature of transaction	Amount of transaction (USD) 2014-15	Balance as at 31 March 2015 (USD)	Amount of transaction (USD) 2013-14	Balance as at 31 March 2014 (USD)
1	KPIT Infosystems Inc., USA	Holding company	Sale of software services	1,041,323	164,015	1,071,573	4,320,519
			Software service charges	3,617,571	(469,947)	2,662,906	(4,337,251)
			Reimbursement of expenses	110,568	(39,093)	(13,215)	(13,215)
			Loan taken	1,750,000		1,250,000	
			Repayment of loan (including interest)	3,023,510		(2,000,000)	
			Loan Given	-	-	2,000,000	(1,248,698)
			Interest income	-		7,986	
			Interest expenses	24,812		6,684	
2	KPIT Technologies France (erstwhile KPIT Infosystems France)	Fellow subsidiary company	Sale of software services	126,680	10,087	-	-
3	KPIT Technologies Corporation, Canada (erstwhile SYSTIME Global Solutions Inc., Canada)	Fellow subsidiary company	Sale of software services	132,301	2,265	-	-
4	KPIT Technologies (UK) Ltd (erstwhile KPIT Infosystems Limited)	Fellow subsidiary company	Sale of software services	99,407	33,866	-	-
5	Systime Computer Corporation, USA	Fellow subsidiary company	Software service charges	618,796	(117,909)	151,431	(148,259)
			Reimbursement of expenses	964,337	180,562	1,666,487	1,666,487
			Sale of software services	3,196,465	398,678	2,067,401	2,291,949

23 Lease transactions

Operating leases

Obligations towards non-cancellable operating Leases:

Particulars	FY 2014-15	FY 2013-14
Minimum lease payments		
- Not later than one year	85,864	80,432
- later than one year and Not later than five years	50,087	135,951
- later than five years		
Total	**135,951**	**216,383**

Rental expense of USD 80,432 (previous year: 80,364) in respect of obligation under operating lease have been recognised in the Statement of Profit and Loss.

24 Basic and diluted earnigs per unit:

Particulars		FY 2014-15	FY 2013-14
Loss for the year after tax	USD	(4,100,395)	(92,866)
Loss attributtable to unit holders	USD	(4,100,395)	(92,866)
Weighted average number of units	No. of units	1,000	1,000
Loss per unit - Basic and diluted	**USD**	**(4,100.40)**	**(92.87)**

25 Prior year comparitives

As the financial statements of the Company have been prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India which are effective from financial periods beginning from 1 April 2014, and were not required to be audited in the earlier periods the comparatives figures reported in the financial statement are unaudited.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April 2015

For and on behalf of the Board of Directors of
CPG Solutions, LLC

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

Sparta Consulting Inc

Registered Office: 111 Woodmere Road, Suite 200, Folsom, California 95630, USA.

Board's Report

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the audited accounts for the financial year ended on March 31, 2015.

Financial Results

Particulars	2014-15 USD	2013-14 USD
Total Revenues	67,792,166	69,088,362
Net Profit /(Loss) for the year	4,259,786	(16,119,345)

Operations

During the year under review, there was a slight decrease in the total revenues. However, due the cost reduction measures implemented, the Company could make a net profit of more than 6% of the revenues.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders. However, the Indian Companies Act, 2013 and the rules framed thereunder mandate audit of the books of accounts of the Company. Therefore, the Company appointed B S R & Co. LLP as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

For and on behalf of the Board of Directors
Sparta Consulting Inc.

Kishor Patil
Chairman

Pune

April 27, 2015

Independent Auditors' Report

To the Board of Directors of
Sparta Consulting Inc

Report on the Financial Statements

We have audited the accompanying financial statements of Sparta Consulting Inc ("the Company"), which comprise the Balance Sheet as at 31 March 2015 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. The financial statements have been prepared by the management in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Act in India.

Management's 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 generally accepted accounting principles (GAAP) in India and comply, as applicable to KPIT Technologies Limited, with the Accounting Standards ("AS") specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal controls 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 controls 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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 31 March 2015;

(b) in the case of the Statement of Profit and Loss, of the profit 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.

Emphasis of Matter

1. We draw attention to note 1.1 to the financial statements which more fully explains that these financial statements are Special Purpose Financial Statements prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India which are effective from financial periods beginning from 1 April 2014. As a result, the financial statements may not be suitable for any other purpose. Our opinion is not qualified in respect of this matter.
2. We draw attention to note 29 to the financial statements which more fully explains that the comparatives figures reported in these financial statements are unaudited. Our opinion is not qualified in respect of this matter.

For B S R & Co LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April 2015

Balance sheet as at

(Currency - USD)

	Note	31 March, 2015	31 March, 2014 (Refer Note 29)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	5,105,200	5,105,200
Reserves and surplus	3	(6,771,251)	(11,031,037)
		(1,666,051)	**(5,925,837)**
Non-current liabilities			
Long term borrowings	4	18,250,000	17,750,000
Long-term provisions	5	1,541,634	1,196,334
		19,791,634	**18,946,334**
Current liabilities			
Short-term borrowings	6	2,500,000	2,500,000
Trade payables	7	13,118,375	8,027,823
Other current liabilities	8	5,542,022	5,060,933
Short-term provisions	9	805,008	5,868,927
		21,965,405	**21,457,683**
TOTAL		**40,090,988**	**34,478,180**
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	10A	429,227	337,891
Intangible fixed assets	10B	1,275,721	3,123,878
Deferred tax assets (net)	11	4,540,835	-
Long-term loans and advances	12	4,765,890	766,910
		11,011,673	**4,228,679**
Current assets			
Trade receivables	13	20,805,346	17,127,045
Cash and bank balances	14	3,036,753	2,385,968
Short-term loans and advances	15	4,012,348	162,901
Other current assets	16	1,224,868	10,573,587
		29,079,315	**30,249,501**
TOTAL		**40,090,988**	**34,478,180**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-29		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W/W-100022

For and on behalf of the Board of Directors of
Sparta Consulting Inc.

Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

Place : Pune
Date: 27 April 2015

Statement of Profit and Loss for the year ended

(Currency - USD)

	Note	31 March, 2015	31 March, 2014 (Refer Note 29)
Revenue from operations			
Sale of services	17	67,682,582	69,078,806
Other income	18	109,584	9,556
Total revenue		**67,792,166**	**69,088,362**
Expenses			
Employee benefit expense	19	40,522,540	43,322,572
Finance costs	20	565,119	351,464
Depreciation and amortization expense	10	1,860,231	1,571,770
Other expenses	21	31,704,990	39,962,777
Total expenses		**74,652,880**	**85,208,583**
Loss before tax		**(6,860,714)**	**(16,120,221)**
Tax expense			
Current tax	28	(6,579,665)	(876)
Deferred tax benefit		(4,540,835)	-
Total tax expense		**(11,120,500)**	**(876)**
Profit / (Loss) for the year		**4,259,786**	**(16,119,345)**
Basic earnings / (loss) per share of no par value (in USD)	27	**4,259.79**	**(16,119.35)**
Diluted earnings / (loss) per share of no par value (in USD)	27	**4,259.79**	**(16,119.35)**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2 - 29		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W/W-100022

For and on behalf of the Board of Directors of
Sparta Consulting Inc.

Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

Place : Pune
Date: 27 April 2015

Cash Flow Statement for the year ended

(Currency - USD)

PARTICULARS	31 March, 2015	31 March, 2014 (Refer Note 29)
A] CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	(6,860,714)	(16,120,221)
Adjustments for		
(Profit) / loss on sale of fixed assets (net)	-	156
Depreciation / Amortization	1,860,231	1,571,770
Interest income	(2,029)	(30)
Interest expense	565,119	351,464
Operating Profit before working capital changes	(4,437,393)	(14,196,861)
Adjustments for changes in working capital:		
Increase / (Decrease) in Long Term Provisions	345,300	1,196,334
Increase / (Decrease) in Trade Payables	5,090,552	(2,236,455)
Increase / (Decrease) in Other Current Liabilities	18,946	(1,501,691)
Increase / (Decrease) in Short Term Provisions	(5,066,744)	3,921,708
(Increase) / Decrease in Trade Recievables	(3,678,301)	(1,107,026)
(Increase) / Decrease in Short term Loans and Advances	(1,283,969)	218,430
(Increase) / Decrease in Other Current Assets	9,348,718	660,951
Cash generated from operations	337,109	(13,044,610)
Taxes Paid	18,032	(23,554)
Net cash from operating activities (A)	**355,141**	**(13,068,164)**
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(103,411)	(2,629,303)
Interest received	2,030	29
Fixed Deposit with banks (net) having maturity over three months	2,605	(2,605)
Net Cash from /(used in) investing activities (B)	**(98,776)**	**(2,631,879)**
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term loan (other than bank)	500,000	13,961,439
Interest and finance charges	(102,975)	12,404
Net cash from /(used in) financing activities (C)	**397,025**	**13,973,843**
Net Increase / (decrease) in cash and cash equivalents (A + B + C)	**653,390**	**(1,726,200)**
Cash and cash equivalents at close of the year (refer note 1 below)	3,036,753	2,383,363
Cash and cash equivalents at beginning of the year (refer note 1 below)	2,383,363	4,109,563
Cash surplus / (deficit) for the year	**653,390**	**(1,726,200)**
Note 1:		
Cash and cash equivalents include:		
Cash in Hand	500	500
Cheques in Hand	-	268,030
Balance with banks		
- In current accounts	3,036,253	2,114,833
Total Cash and cash equivalents	**3,036,753**	**2,383,363**

Note 2:
Figures in brackets represent outflows of cash and cash equivalents.

Note 3:
The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on cash flow statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W/W-100022

For and on behalf of the Board of Directors of
Sparta Consulting Inc.

Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

Place: Pune
Date: 27 April 2015

Notes forming part of the financial statements

Company Overview:

Sparta Consulting Inc is a Company incorporated in the state of California, USA. The Company is a wholly owned subsidiary of KPIT Infosystems Inc., USA and ultimate holding company is KPIT Technologies Limited.

The Company is engaged in the business of providing pre-packaged, industry-specific SAP software solutions and IT services.

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The financial statements are Special Purpose Financial Statements prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India and have been prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles (GAAP) in India and comply, as applicable to KPIT Technologies Limited, with the Accounting Standards ("AS") specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements are presented in US Dollars ("USD") and are rounded off to the nearest USD.

Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any difference between the actual results and estimates are recognised in the period in which the results are known/ materialize. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Going concern

The management believes the Company will be able to continue operations on a going concern basis and meet all its liabilities as they fall due for payment in the foreseeable future on the basis of :

a. Support letter dated 27 April 2015 received from ultimate holding company confirming that they will provide the necessary financial support for a period of atleast 24 months from date of the letter.

b. Business strategy, which will enable the Company to generate positive operating cashflows.

Accordingly, these financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets or the amount and classification of the liabilities, that might result should the Company be unable to continue as going concern

1.2 Revenue recognition:

Revenue from software development and services on time and material basis is recognized based on software development, services rendered and related costs incurred based on timesheets and are billed to clients as per the contractual obligations. Revenue from fixed price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized based upon the proportionate completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from the sale of software products is recognized when the sale is completed with the passing of the ownership.

Interest income is recognized on time proportion basis.

1.3 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

1.4 Current-non current classification

All assets and liabilities are classified into current and non-current.

Asset

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liability

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company is less than twelve months.

1.5 Fixed Assets:

Tangible fixed assets:

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Tangible fixed assets under construction are disclosed as capital work-in-progress.

Intangible fixed assets:

Goodwill that arises on an amalgamation or on the acquisition of a business is presented as an intangible asset. Goodwill arising from amalgamation is measured at cost less accumulated amortisation and any accumulated impairment loss. Such goodwill is amortised over its estimated useful life or five years whichever is shorter. Goodwill is tested for impairment annually.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable borrowing costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognized in the Statement of Profit and Loss as incurred.

Acquired intangible assets, which comprise expenditure incurred on acquisition of user licences for computer software are recorded at its acquisition price. The useful life of intangible assets is reviewed by management at each balance sheet date.

1.6 Depreciation:

Depreciation on tangible fixed assets is provided based on useful life in the manner specified below:

Type of asset	Useful life Number of years
Plant and equipment	4
Office Equipment	10
Furniture and fixtures	8

Leasehold improvements are amortized over the period of the lease.

Perpetual software licenses are amortized over 4 years. However, time-based software licenses are amortized over the license period. Capitalised development costs are amortized over a period of 4 to 5 years.

1.7 Accounting for taxes on income

Current Tax / Deferred Tax

The Company is a part of a tax consolidation group consisting of KPIT Infosystems Inc (the holding company or the parent entity), the Company and its fellow subsidiaries CPG Solutions LLC and Integrated Industrial Information Inc. The tax-consolidated group prepares a single consolidated annual tax return, and the parent entity records the ultimate tax obligations. Based on the contractual arrangements between Company and the holding company, receivables/payables on account of current tax are settled between the companies.

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws for the tax consolidation group, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available to the tax consolidation group against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

1.8 Impairment of Assets:

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other fixed assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

During the year under consideration, there was no indication, either internal or external as to the impairment of any of the assets.

1.9 Leases

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor, are classified as Operating Leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on straight line basis over the term of the lease.

1.10 Earnings per share:

The Company reports its basic and diluted earnings per share in accordance with Accounting Standard - 20 Earnings per Share.

Basic earnings per share is computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit for the period after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.11 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated at the year-end rates and the exchange differences so determined as also the realised exchange differences are recognised in the Statement of Profit and Loss.

1.12 Employee benefits

Compensated absences

The employees of certain locations can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation carried out at each Balance Sheet date using the Projected Unit Credit Method.

1.13 Provisions, Contingent Liabilities and Contingent Assets:

As per Accounting Standard (AS) 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for -

(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) Present obligations that arise from past events but are not recognized because-

  i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  ii. A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can 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.

(Currency - USD)

		31 March, 2015	31 March, 2014 (Refer Note 29)
2	**Share capital**		
	Authorised		
	1,000 shares common stock without par value		
	Issued, subscribed and paid-up:		
	1,000 (2014 : 1,000) shares of the common stock without par value fully paid	5,105,200	5,105,200
		5,105,200	**5,105,200**
3	**Reserves and surplus**		
	Surplus/(Deficit) in Statement of Profit and Loss		
	At the commencement of the year	(11,031,037)	5,088,308
	Add : Profit/(Loss) for the year	4,259,786	(16,119,345)
		(6,771,251)	**(11,031,037)**
		(6,771,251)	**(11,031,037)**
4	**Long term borrowings**		
	Loans and advances from related parties (Unsecured)(Refer note 25)		
	Loan from KPIT Infosystems Inc.	18,250,000	17,750,000
		18,250,000	**17,750,000**
5	**Long term provisions**		
	Provision for employee benefits		
	- compensated absences	1,541,634	1,196,334
		1,541,634	**1,196,334**

(Currency - USD)

		31 March, 2015	31 March, 2014 (Refer Note 29)
6	**Short-term borrowings**		
	Loans repayable on demand from banks (secured) :		
	Working capital loan	2,500,000	2,500,000
		2,500,000	**2,500,000**
7	**Trade payables**		
	Trade payables	13,118,375	8,027,823
		13,118,375	**8,027,823**
8	**Other current liabilities**		
	Interest accrued but not due on borrowings	472,300	363,868
	Interest accrued and due on borrowings	353,712	-
	Accrued employee costs	2,668,792	3,469,943
	Payable to related parties (Refer note 25)	34,343	117,411
	Statutory liabilities	2,012,875	1,109,711
		5,542,022	**5,060,933**
9	**Short term provisions**		
	Provision for employee benefit		
	- Provision for compensated absences	802,183	858,927
	Current tax (net of advance tax)	2,825	-
	Provision for warranty	-	100,000
	Provision for onerous contracts	-	4,910,000
		805,008	**5,868,927**

10 Fixed Assets

Particulars	**GROSS BLOCK**					**Depreciation / Amortization**					**NET BLOCK**	
	As at 1 April 2014	**Reclassification**	**Additions during the year 2014-15**	**Disposals during the year 2014-15**	**As at 31 March 2015**	**Up to 1 April 2014**	**Reclassification**	**For the year**	**On Disposals/ Adjustments**	**Up to 31 March 2015**	**As on 31 March 2015**	**As on 31 March 2014**
A. TANGIBLE ASSETS												
Land (Leasehold)	32,643	(32,643)	-	-	-	24,510	(24,510)	-	-	-	-	8,133
Leasehold Improvements	-	32,643	-	-	32,643	-	24,510	4,062	-	28,572	4,071	-
Office Equipments	1,139,374	(245,183)	3,287	3,364	894,114	917,319	(144,854)	(42,779)	3,364	726,322	167,792	222,055
Furniture and Fixtures	208,269	-	-	-	208,269	100,566	-	2,016	-	102,582	105,687	107,703
Plant and Equipment	-	245,183	98,356	-	343,539	-	144,854	47,008	-	191,862	151,677	-
TOTAL TANGIBLE ASSETS	**1,380,286**	**-**	**101,643**	**3,364**	**1,478,565**	**1,042,395**	**-**	**10,307**	**3,364**	**1,049,338**	**429,227**	**337,891**
B. INTANGIBLE ASSETS												
i. Internally Generated Intangible	2,357,099	(215,189)	-	-	2,141,910	1,550,497	(85,150)	676,562	-	2,141,909	1	806,602
ii. Other than internally generated												
Goodwil	3,089,702	-	-	-	3,089,702	772,426	-	1,130,568	-	1,902,994	1,186,708	2,317,276
Softwares	-	215,189	1,767		216,956	-	85,150	42,794	-	127,944	89,012	-
TOTAL INTANGIBLE ASSETS	**5,446,801**	**-**	**1,767**	**-**	**5,448,568**	**2,322,923**	**-**	**1,849,924**	**-**	**4,172,847**	**1,275,721**	**3,123,878**
TOTAL ASSETS	**6,827,087**	**-**	**103,410**	**3,364**	**6,927,133**	**3,365,318**	**-**	**1,860,231**	**3,364**	**5,222,185**	**1,704,948**	**3,461,769**
PREVIOUS YEAR	**4,271,310**	**-**	**2,629,303**	**73,526**	**6,827,087**	**1,866,918**	**-**	**1,571,770**	**73,370**	**3,365,318**	**3,461,769**	

		31 March, 2015	31 March, 2014 (Refer Note 29)
			(Currency - USD)
11	**Deferred tax asset (net)**		
	Break up of deferred tax assets at the year end		
	Arising on account of timing differences in		
	Provision for depreciation	390,189	-
	Provision for doubtful debts and advances	3,104,187	-
	Provision for leave encashment	857,527	-
	Accrued Expenses	188,932	-
	Deferred tax asset	**4,540,835**	**-**
12	**Long term loans and advances**		
	(Unsecured, considered good unless otherwise stated)		
	Loans and advances to other than related parties		
	- Advance taxes and tax deducted at source (net of provisions)	4,765,890	766,910
		4,765,890	**766,910**
13	**Trade receivables**		
	(Unsecured, considered good unless otherwise stated)		
	Outstanding for a period exceeding six months from the date they were due for payment		
	- Considered good	4,926,998	1,412,083
	- Considered doubtful	7,760,467	2,318,485
	Less: Provision for doubtful trade receivables	7,760,467	2,318,485
		4,926,998	1,412,083
	Others receivables		
	- Considered good	15,878,348	15,714,962
	- Considered doubtful	-	31,687
	Less: Provision for doubtful trade receivables	-	31,687
		15,878,348	15,714,962
		20,805,346	**17,127,045**
14	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	500	500
	Cheques in hand	-	268,030
	Balances with banks		
	- In current account	3,036,253	2,114,833
	Other bank balances	-	2,605
		3,036,753	**2,385,968**
15	**Short term loans and advances**		
	(Unsecured, considered good unless otherwise stated)		
	To related parties (Refer note 25)		
	- Receivables	3,774,392	-
	To parties other than related parties		
	-employee advances	14,658	52,784
	-security deposits	41,169	30,461
	-claims receivable	5,938	-
	-prepaid expenses	144,859	74,134
	-advance to suppliers	31,332	5,522
		237,956	162,901
		4,012,348	**162,901**

		31 March, 2015	31 March, 2014 (Refer Note 29)
			(Currency - USD)
16	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Unbilled revenue	1,224,823	10,573,586
	Interest accrued on fixed deposits	-	1
	Others	45	-
		1,224,868	**10,573,587**
17	**Revenue from operations**		
	Income from software services	67,682,582	69,078,806
		67,682,582	**69,078,806**
18	**Other income**		
	Interest income	2,029	30
	Foreign exchange gain (net)	4,482	-
	Other non operating income (including miscellaneous income)	103,073	9,526
		109,584	**9,556**
19	**Employee benefits expense**		
	Salaries, wages and bonus	40,441,323	43,261,456
	Staff welfare expenses	81,217	61,116
		40,522,540	**43,322,572**
20	**Finance costs**		
	Interest expense	565,119	351,464
		565,119	**351,464**
21	**Other expenses**		
	Travel and overseas expenses (net of recovery)	2,711,713	2,723,607
	Travelling and conveyance (net of recovery)	426,955	87,029
	Cost of service delivery	8,421,200	6,027,493
	Cost of professional subcontracting	16,264,949	20,516,248
	Recruitment and training expenses	165,865	109,789
	Rent including lease rentals (Refer note 26)	538,819	522,592
	Repairs & maintenance -		
	- plant and equipment	670	2,997
	- others	711	10,751
	Insurance	250,712	(14,511)
	Rates and taxes	69,133	117,758
	Communication expenses	198,391	264,430
	Legal and professional fees	584,797	424,831
	Marketing expenses	293,445	1,541,353
	Foreign exchange loss (net)	-	952
	Printing and stationery	59,778	18,894
	Bad debts written off	568,254	-
	Provision for doubtful debts and advances (net)	500,295	2,305,448
	Provision for loss on onerous contracts	-	4,910,000
	Loss on sale of fixed assets (net)	-	156
	Miscellaneous expenses	649,303	392,960
		31,704,990	**39,962,777**

Note:

Certain expenses are net of recoveries/reimbursments from customers.

22 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2015.

23 Details of foreign currency exposures those are not hedged by a derivative instrument or otherwise:

Particulars	FY 2014-2015		FY 2013-2014	
	Amount in Foreign Currency	Equivalent amount in USD	Amount in Foreign Currency	Equivalent amount in USD
Trade payables / Dues to related parties				
CAD	11,771	9,251	-	-
CNY	410,503	66,004	-	-
EUR	27,216	29,356	-	-
GBP	6,513	9,621	-	-
INR	1,271,478	20,314	1,185,000	19,717

24 Segment reporting

The Company primarily operates in its domestic market and hence there are no reportable geographical segments. Further, the Company is engaged in providing software and IT related services which is considered to be a single business segment.

25 Related party transactions:

A. Name of the related party and nature of relationship where control exists

Relationship	Name of related party
Ultimate Holding Company	KPIT Technologies Limited, India
Holding Company	KPIT Infosystems Inc., USA

B. List of related parties with whom there are transactions in the current year

Relationship	Name of related party
Ultimate Holding Company	KPIT Technologies Limited, India
Holding Company	KPIT Infosystems Inc., USA
Fellow Subsidiary Companies	KPIT Technologies Corporation (erstwhile SYSTIME Global Solutions Inc., Canada)
	SYSTIME Computer Corporation, USA
	KPIT (Shanghai) Software Technology Co. Limited, China
	KPIT Technologies France (erstwhile KPIT Infosystems France)
	KPIT Infosystems ME FZE, Dubai
	CPG Solutions LLC, USA
	KPIT Technologies (UK) Ltd (erstwhile KPIT Infosystems Limited)
	KPIT Technologies Soluções Em Informática Ltda. (erstwhile KPIT Infosystem (Brasil) Servicos De Technologia e Participacoes Ltda)
	KPIT Technologies GmbH, Germany

C. Transactions with related parties

Sr. no.	Name of the related party	Description of relationship	Nature of transaction	Amount of transaction 2014-15 (USD)	Balance as at 31 March 2015 (USD)	Amount of transaction 2013-14 (USD)	Balance as at 31 March 2014 (USD)
1	KPIT Technologies Limited, India	Ultimate holding company	Software service charges	7,672,025	(5,856,802)	5,789,474	(2,197,926)
			Reimbursement of expenses	-	(19,347)	19,347	(19,717)
2	KPIT Technologies Corporation (erstwhile SYSTIME Global Solutions Inc., Canada)	Fellow subsidiary company	Software service charges	13,687	(12,590)	-	-
3	KPIT Infosystems Inc., USA	Holding company	Sale of software services	276,313	(976,531)	1,515,681	1,515,681
			Software service charges	1,464,848	(3,512,364)	2,047,726	(2,047,726)
			Reimbursement of expenses	4,322,153	3,765,261	98,064	(98,064)
			Loan taken	500,000	(19,065,856)	17,750,000	(18,103,712)
			Interest expense	462,143		353,712	
4	SYSTIME Computer Corporation, USA	Fellow subsidiary company	Reimbursement of expenses	14,996	(14,996)	-	-
			Sale of software services	103,841	37,835	-	-
			Software service charges	30,256	(30,209)	-	-
5	KPIT (Shanghai) Software Technology Co. Limited, China	Fellow subsidiary company	Software service charges	710,235	(319,674)	44,561	(44,561)
6	KPIT Technologies (UK) Ltd (erstwhile KPIT Infosystems Limited)	Fellow subsidiary company	Software service charges	20,861	(18,577)	-	-
			Reimbursement of expenses	9,131	9,131	-	-
7	KPIT Technologies Soluções Em Informática Ltda. (erstwhile KPIT Infosystem (Brasil) Servicos De Technologia e Participacoes Ltda)	Fellow subsidiary company	Software service charges	220,873	(220,873)	-	-
8	KPIT Technologies GmbH, Germany	Fellow subsidiary company	Software service charges	21,355	(18,881)	-	-

26 Lease transactions

Operating leases

Obligations towards non-cancellable operating Leases:

Particulars	FY 2014-15	FY 2013-14
Minimum lease payments		
- Not later than one year	408,849	538,819
- later than one year and Not later than five years	74,450	483,299
- later than five years	-	-
Total	**483,299**	**1,022,118**

Rental expense of USD 538,819 (previous year : 522,592) in respect of obligation under operating lease have been recognised in the Statement of Profit and Loss.

27 Basic and diluted earnings per share:

Particulars		FY 2014-15	FY 2013-14
Profit/(loss) for the year after tax	USD	4,259,786	(16,119,345)
Profit/(loss) attributtable to shareholders	USD	4,259,786	(16,119,345)
Weighted average number of shares	No. of shares	1,000	1,000
Earnings / (Loss) per share - Basic and diluted	**USD**	**4,259.79**	**(16,119.35)**

28 The tax expense for the current year includes credit of USD 4,017,012 pertaining to earlier years, arising on account of revised tax return filed in USA jurisdiction following completion of extensive documentation requirements.

29 Prior year comparitives

As the financial statements of the Company have been prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India which are effective from financial periods beginning from 1 April 2014, and were not required to be audited in the earlier periods the comparatives figures reported in the financial statement are unaudited.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April 2015

For and on behalf of the Board of Directors of
Sparta Consulting Inc.

Kishor Patil
Director

Sachin Tikekar
Director

Place : Pune
Date: 27 April 2015

Integrated Industrial Information, Inc.

Registered Office: 920 Main Campus Drive, Suite 400, Raleigh, North Carolina 27606. USA.

Board's Report

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the audited accounts for the financial year ended on March 31, 2015.

Financial Results

Particulars	2014-15
	USD
Total Revenues	9,197,009
Net Profit /(Loss) for the period	(849,991)

100% shares of the Company were acquired by KPIT Infosystems Inc. with effect from May 9, 2014 and therefore, this was the first financial year of the Company as a subsidiary of KPIT Technologies Limited. Hence, the figures for the previous year are not published.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders. However, the Indian Companies Act, 2013 and the rules framed thereunder mandate audit of the books of accounts of the Company. Therefore, the Company appointed B S R & Co. LLP as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

For and on behalf of the Board of Directors
Integrated Industrial Information, Inc.

Kishor Patil
Chairman

Pune
April 27, 2015

Independent Auditors' Report

To the Board of Directors of

Integrated Industrial Information Inc

Report on the Financial Statements

We have audited the accompanying financial statements of Integrated Industrial Information Inc("the Company"), which comprise the Balance Sheet as at 31 March 2015 and the Statement of Profit and Loss and Cash Flow Statement for the period from 9 May 2014 to 31 March 2015, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by the management in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Act in India.

Management's 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 generally accepted accounting principles (GAAP) in India and comply, as applicable to KPIT Technologies Limited, with the Accounting Standards ("AS") specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal controls 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 judgement, 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 controls 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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 31 March 2015;

(b) in the case of the Statement of Profit and Loss, of the loss for the period from 9 May 2014 to 31 March 2015; and

(c) in the case of the Cash Flow Statement, of the cash flows the period from 9 May 2014 to 31 March 2015.

Emphasis of Matter

1. We draw attention to note 1.1and note 25 to the financial statements which more fully explains that these financial statements are Special Purpose Financial Statements prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India which are effective from financial periods beginning from 1 April 2014 and accordingly the financial statements have been prepared from the date of acquisition i.e. 9 May 2014. As a result, the financial statements may not be suitable for any other purpose. Our opinion is not qualified in respect of this matter.

For B S R & Co LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April, 2015

Balance sheet as at

(Currency - USD)

	Note	31 March 2015
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	2	87,995
Reserves and surplus	3	973,046
		1,061,041
Non-current liabilities		
Long-term borrowings	4	1,033,383
		1,033,383
Current liabilities		
Short-term borrowings	5	230,000
Trade payables	6	326,685
Other current liabilities	7	600,994
Short-term provisions	8	108,954
		1,266,633
TOTAL		**3,361,057**
ASSETS		
Non-current assets		
Fixed assets		
Tangible fixed assets	9A	442,040
Intangible fixed assets	9B	176,061
Long-term loans and advances	10	268
		618,369
Current assets		
Trade receivables	11	1,484,364
Cash and bank balances	12	143,174
Short-term loans and advances	13	915,797
Other current assets	14	199,353
		2,742,688
TOTAL		**3,361,057**
Significant accounting policies	1	
Notes referred to above form an integral part of the financial statements	2-25	

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W/W-100022

For and on behalf of the Board of Directors of
Integrated Industrial Information Inc.

Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April, 2015

Place: Pune
Date: 27 April, 2015

Statement of Profit and Loss for the period ended

(Currency - USD)

	Note	For the period from 9 May 2014 to 31 March 2015
Revenue from operations		
Sale of services	15	9,059,712
Other income	16	137,297
Total revenue		**9,197,009**
Expenses		
Employee benefit expense	17	7,862,120
Finance costs	18	38,903
Depreciation and amortization expense	9	239,162
Other expenses	19	2,647,889
Total expenses		**10,788,074**
Loss before tax		(1,591,065)
Tax expense		
Current tax		(741,074)
Total tax expense		**(741,074)**
Loss for the period		**(849,991)**
Basic earnings/loss per share of par value of USD 1 each - not annualised	24	(10.82)
Diluted earnings/loss per share of par value of USD 1 each - not annualised	24	(10.82)
Significant accounting policies	1	
Notes referred to above form an integral part of the financial statements	2-25	

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

For and on behalf of the Board of Directors of
Integrated Industrial Information Inc.

Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April, 2015

Place: Pune
Date: 27 April, 2015

Cash Flow Statement for the period ended

(Currency - USD)

PARTICULARS	31 March 2015
A] CASH FLOW FROM OPERATING ACTIVITIES	
Net loss before tax	(1,591,065)
Adjustments for	
(Profit) / loss on sale of fixed assets (net)	(32,699)
Depreciation / Amortization	239,162
Interest expense	38,903
Operating Profit before working capital changes	(1,345,699)
Adjustments for changes in working capital:	
Increase / (Decrease) in Trade Payables	48,507
Increase / (Decrease) in Other Current Liabilities	(292,865)
Increase / (Decrease) in Short Term Provisions	76,954
(Increase) / Decrease in Long term Loans and Advances	(268)
(Increase) / Decrease in Trade Recievables	574,262
(Increase) / Decrease in Short term Loans and Advances	(33,715)
(Increase) / Decrease in Other Current Assets	(199,353)
Cash used in operating activities	(1,172,177)
Taxes Paid	-
Net cash from / (used in) operating activities (A)	**(1,172,177)**
B] CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(120,956)
Proceeds from Sale of Fixed Assets	55,361
Net Cash from /(used in) investing activities (B)	**(65,595)**
C] CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from long term borrowings	900,000
Repayment of long term borrowings	(76,442)
Proceeds from short term borrowings	230,000
Interest and finance charges paid	(38,903)
Net cash from / (used in) financing activities (C)	**1,014,655**
Net Increase / (decrease) in cash and cash equivalents (A + B + C)	**(223,117)**
Cash and cash equivalents at close of the period (refer note 1 below)	143,174
Cash and cash equivalents on 9 May 2014 (refer note 25)	366,291
Cash surplus / (deficit) for the period	**(223,117)**

Note 1:	31 March 2015	9 May 2014
Cash and cash equivalents include:		(refer note 25)
Balance with banks		
- In current accounts	143,174	366,291
Total Cash and cash equivalents	**143,174**	**366,291**

Note 2:

Figures in brackets represent outflows of cash and cash equivalents.

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on cash flow statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

For and on behalf of the Board of Directors of
Integrated Industrial Information Inc.

Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April, 2015

Place: Pune
Date: 27 April, 2015

Notes forming part of the financial statements

Company Overview:

Integrated Industrial Information Inc. is a Company incorporated in North Carolina on 14th September, 1984. The registered office of the Company is at 920, Main Campus Drive, Suite 400, Raleigh, NC 27606.

Integrated Industrial Information Inc. is engaged in the business of providing solutions in the areas of product lifecycle management (PLM) consulting, specializing in data migration, PLM technical services and customization, and managed services. The Company became a wholly owned subsidiary of KPIT Infosystems Inc., USA effective 9th May 2014, after it carved out its non-PLM business under the name of I-Cubed Holding Inc.

These financial statements are for the period from 9th May 2014 to 31st March 2015.

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The financial statements are Special Purpose Financial Statements prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India and have been prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles (GAAP) in India and comply, as applicable to KPIT Technologies Limited, with the Accounting Standards ("AS") specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements are presented in US Dollars ("USD") and are rounded off to the nearest USD.

Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any difference between the actual results and estimates are recognised in the period in which the results are known/ materialize. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.2 Revenue recognition:

Revenue from software development and services on time and material basis is recognized based on software development, services rendered and related costs incurred based on timesheets and are billed to clients as per the contractual obligations. Revenue from fixed price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized based upon the proportionate completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from the sale of software products is recognized when the sale is completed with the passing of the ownership.

Dividend income is recognized when the Company's right to receive dividend is established.

1.3 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

1.4 Current-non current classification

All assets and liabilities are classified into current and non-current.

Asset

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is expected to be realised within 12 months after the reporting date; or
d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liability

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is due to be settled within 12 months after the reporting date; or
d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company is less than twelve months.

1.5 Fixed Assets:

Tangible fixed assets:

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Tangible fixed assets under construction are disclosed as capital work-in-progress.

Intangible fixed assets:

Acquired intangible assets, which comprise expenditure incurred on acquisition of user licences for computer software are recorded at its acquisition price. The useful life of intangible assets is reviewed by management at each balance sheet date.

1.6 Depreciation / Amortisation :

Depreciation on tangible fixed assets is provided based on useful life in the manner specified below:

Type of asset	Useful life
Plant and equipment	3
Furniture and fixtures	3

Leasehold improvements are amortized over the period of the lease.

Perpetual Software licenses are amortized over 4 years. However, time-based software licenses are amortized over the license period. Capitalised development costs are amortized over a period of 4 to 5 years.

1.7 Employee benefits

Compensated absences

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave.

1.8 Impairment of Assets:

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Intangible assets which are not yet available for use are tested for impairment annually. Other fixed assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

During the year under consideration, there was no indication, either internal or external as to the impairment of any of the assets.

1.9 Accounting for taxes on income

The Company is a part of a tax consolidation group consisting of KPIT Infosystems Inc (the holding company or the parent entity), the Company and its fellow subsidiaries CPG Solutions LLC and Sparta Solutions Inc. The tax-consolidated group prepares a single consolidated annual tax return, and the parent entity records the ultimate tax obligations. Based on the contractual arrangements between Company and the holding company, receivables/payables on account of current tax are settled between the companies.

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws for the tax consolidation group, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available to the tax consolidation group against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

1.10 Leases

Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor, are classified as Operating Leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on straight line basis over the term of the lease.

1.11 Earnings per share

The Company reports its basic and diluted earnings per share in accordance with Accounting Standard - 20 Earnings per Share.

Basic earnings per share is computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit for the period after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.12 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated at the year-end rates and the exchange differences so determined as also the realised exchange differences are recognised in the Statement of Profit and Loss.

1.13 Provisions, Contingent Liabilities and Contingent Assets:

As per Accounting Standard (AS) 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for -

(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) Present obligations that arise from past events but are not recognized because-

  i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  ii. A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can 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.

(Currency - USD)

		31 March, 2015
2	**Share capital**	
	Authorised:	
	500,000 shares of common stock of 1 USD each	500,000
	Issued, subscribed and paid-up:	
	87,995 shares of common stock of 1 USD each fully paid up	87,995
		87,995
3	**Reserves and surplus**	
	Surplus in Statement of Profit and Loss	
	Balance as on the date of acquisition (refer note 25)	1,823,037
	Add : Loss for the period	(849,991)
		973,046
4	**Long term borrowings**	
	Loans and advances from related party (unsecured)	
	Loan from KPIT Infosystems Inc., USA (Refer note 22)	900,000
	Finance lease obligations (Refer note 23 (1))	133,383
		1,033,383
5	**Short-term borrowings**	
	Loan from I-Cubed Holdings Inc (repayable on demand, unsecured)	230,000
		230,000
6	**Trade payables**	
	Trade payables	326,685
		326,685
7	**Other current liabilities**	
	Current maturities of finance lease obligations (Refer note 23 (1))	102,523
	Interest accrued but not due on borrowings (Refer note 22)	7,815
	Unearned revenue	76,192
	Accrued employee costs	301,218
	Statutory liabilities	47,477
	Payable towards straightlining of rent	65,769
		600,994
8	**Short term provisions**	
	Provision for employee benefit	
	- Provision for compensated absences	76,954
	Current tax (net of advance tax)	32,000
		108,954

9 Fixed Assets

Particulars	GROSS BLOCK					Depreciation / Amortization					NET BLOCK	
	As at 9 May 2014	Transfer on account of acquisition (Refer note 24)	Additions during the period	Disposals during the period	As at 31 March 2015	As at 9 May 2014	Transfer on account of acquisition (Refer note 24)	For the period	On Disposals/ Adjustments	As at 31 March 2015	As at 31 March 2015	As on 31 March 2014
A. TANGIBLE ASSETS												
Leasehold Improvements	-	184,129	-	12,742	171,387	-	39,208	16,878	4,083	52,003	119,384	-
Furniture and Fixtures	-	392,341	56,593	46,166	402,768	-	140,405	51,499	35,457	156,447	246,321	-
Plant and Equipment	-	278,755	64,363	226,575	116,543	-	214,207	49,733	223,732	40,208	76,335	-
TOTAL TANGIBLE ASSETS	**-**	**855,225**	**120,956**	**285,483**	**690,698**	**-**	**393,820**	**118,110**	**263,272**	**248,658**	**442,040**	**-**
B. INTANGIBLE ASSETS												
Softwares	-	503,366	-	7,007	496,359	-	205,802	121,052	6,556	320,298	176,061	-
TOTAL INTANGIBLE ASSETS	**-**	**503,366**	**-**	**7,007**	**496,359**	**-**	**205,802**	**121,052**	**6,556**	**320,298**	**176,061**	**-**
TOTAL FIXED ASSETS	**-**	**1,358,591**	**120,956**	**292,490**	**1,187,057**	**-**	**599,622**	**239,162**	**269,828**	**568,956**	**618,101**	**-**

(Currency - USD)

		31 March, 2015
10	**Long term loans and advances**	
	(Unsecured, considered good unless otherwise stated)	
	Loans and advances to other than related parties	
	- Prepaid expenses	268
		268
11	**Trade receivables**	
	(Unsecured, considered good)	
	Outstanding for a period exceeding six months from the date they were due for payment	-
	Other receivables	1,484,364
		1,484,364
12	**Cash and bank balances**	
	Cash and cash equivalents	
	Balances with banks	
	- In current account	143,174
		143,174
13	**Short term loans and advances**	
	(Unsecured, considered good unless otherwise stated)	
	To related parties	
	- Receivables from holding company	773,074
	To parties other than related parties	
	- employee advances	2,683
	- prepaid expenses	140,040
		915,797
14	**Other current assets**	
	(Unsecured, considered good unless otherwise stated)	
	Unbilled revenue	199,353
		199,353

(Currency - USD)

		For the period from 9 May, 2014 to 31 March, 2015
15	**Revenue from operations**	
	Income from software services	9,059,712
		9,059,712
16	**Other income**	
	Liabilities no longer required, written back	103,197
	Profit on sale of fixed assets (net)	32,699
	Other non operating income (including miscellaneous income)	1,401
		137,297
17	**Employee benefits expense**	
	Salaries, wages and bonus	7,766,667
	Staff welfare expenses	95,453
		7,862,120
18	**Finance costs**	
	Interest expense	38,903
		38,903
19	**Other expenses**	
	Travel and overseas expenses (net of recovery)	537,996
	Travelling and conveyance (net of recovery)	266,290
	Cost of professional subcontracting	590,454
	Recruitment and training expenses	82,365
	Rent including lease rentals (Refer note 23 (2))	354,311
	Repairs & maintenance	
	- plant and equipment	138,944
	- others	61,878
	Insurance	51,212
	Rates and taxes	18,611
	Communication expenses	152,192
	Legal and professional fees	126,678
	Marketing expenses	182,709
	Printing and stationery	2,937
	Miscellaneous expenses	81,312
		2,647,889

20 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2015.

21 Segment reporting

The Company primarily operates in its domestic market and hence there are no reportable geographical segments. Further, the Company is engaged in providing software and IT related services which is considered to be a single business segment.

22 Related party transactions:

A. Name of the related party and nature of relationship where control exists

Relationship	Name of related party
Ultimate Holding Company	KPIT Technologies Limited, India
Holding Company	KPIT Infosystems Inc., USA

B. List of other related parties with whom there are transactions in the current period

Relationship	Name of related party
Fellow subsidiary	KPIT Solutions GmbH, Germany

C. Transactions with related parties

Sr. no.	Name of the related party	Description of relationship	Nature of transaction	Amount of transaction (USD) for the period from 9 May 2014 to 31 March 2015	Balance as at 31 March 2015 (USD)
1	KPIT Infosystems Inc., USA	Holding company	Loan taken	900,000	(907,815)
			Interest expenses	7,815	
			Reimbursement of expenses	773,074	773,074
			Sale of software services	214,369	72,250
2	KPIT Solutions GmbH, Germany	Fellow subsidiary	Software service charges	18,759	(18,759)

23 Lease transactions

1) Finance leases

The Company has taken computer hardware under finance lease for a period ranging from 3 to 4 years. Upon payment of all sums due towards the agreement, the Company has the option of acquiring the hardware. During the lease period, the Company can neither sell, assign, sublet, pledge, mortgage, charge, encumber or part with possession of the assets, nor create or allow to create any lien on the hardware taken on lease.

Particulars	FY 2014-15
Minimum lease payments	
- not later than one year	118,832
- later than one year and not later than five years	142,371
- later than five years	-
Total minimum lease payments	261,203
Amount representing future interest	25,297
Present value of minimum lease payments	235,906
- not later than one year	102,523
- later than one year and not later than five years	133,383

2) Operating leases

Obligations towards non-cancellable operating Leases:

The Company has taken facilities on lease. The future lease payments for these facilities are as under:

Particulars	FY 2014-15
Minimum lease payments	
- Not later than one year	565,062
- later than one year and Not later than five years	2,452,529
- later than five years	2,064,700
Total	**5,082,291**

Rental expenses of USD 354,311 in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

24 Basic and diluted earnings per share:

Particulars		For the period from 9 May 2014 to 31 March 2015
Loss for the year after tax	USD	(849,991)
Loss attributtable to shareholders	USD	(849,991)
Weighted average number of shares of USD 1 each	No. of shares	78,593
Earnings per share - Basic and Diluted - not annualised	USD	(10.82)

25 The Company became a wholly owned subsidiary of KPIT Infosystems Inc., USA effective 9th May 2014, after it carved out its non-PLM business under the name of I-Cubed Holding Inc. As the financial statements of the Company have been prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India which are effective from financial period beginning from 1 April, 2014 , and are not required to be audited in its country of incorporation. Accordingly these financial statements have been prepared from the date of acquisition .i.e 9 May 2014. Further, due to the same reasons, the prior year comparatives are not presented. Accordingly, these financial statements may not be suitable for another purpose.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April, 2015

For and on behalf of the Board of Directors of
Integrated Industrial Information Inc.

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April, 2015

SYSTIME Computer Corporation

Registered Office: 379, Thornall Street, Edison, NJ 08837, USA.

Board's Report

Dear Shareholders,

Your Board of Directors is pleased to present herewith the report of the Directors on the operations of the Company together with the audited accounts for the financial year ended on March 31, 2015.

Financial Results

Particulars	2014-15	2013-14
	USD	USD
Total Revenues	94,122,613	81,883,104
Net Profit /(Loss) for the year	3,049,953	6,815,490

Operations

During the year under review, total revenues of the Company have gone up by 15%. However, net profit reduced by 55%.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders. However, the Indian Companies Act, 2013 and the rules framed thereunder mandate audit of the books of accounts of the Company. Therefore, the Company appointed B S R & Co. LLP as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

For and on behalf of the Board of Directors
SYSTIME Computer Corporation

Kishor Patil
Chairman

Pune
April 27, 2015

Independent Auditor Report

To the Board of Directors of

SYSTIME Computer Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Systime Computer Corporation ("the Company"), which comprise the Balance Sheet as at 31 March 2015 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. The financial statements have been prepared by the management in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Act in India.

Management's 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 generally accepted accounting principles (GAAP) in India and comply, as applicable to KPIT Technologies Limited, with the Accounting Standards ("AS") specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal controls 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 controls 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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 31 March 2015;

(b) in the case of the Statement of Profit and Loss, of the profit 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.

Emphasis of Matter

1. We draw attention to note 1.1 to the financial statements which more fully explains that these financial statements are Special Purpose Financial Statements prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India which are effective from financial periods beginning from 1 April 2014. As a result, the financial statements may not be suitable for any other purpose. Our opinion is not qualified in respect of this matter.

2. We draw attention to note 26 to the financial statements which more fully explains that the comparatives figures reported in these financial statements are unaudited. Our opinion is not qualified in respect of this matter.

For B S R & Co LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April, 2015

Balance sheet as at

	Note	31 March 2015	31 March 2014
			(Currency - USD)
			(Refer Note 26)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	110,000	110,000
Reserves and surplus	3	10,593,939	7,543,986
		10,703,939	**7,653,986**
Non-current liabilities			
Long-term provisions	4	805,133	476,145
		805,133	**476,145**
Current liabilities			
Trade payables	5	20,821,856	21,015,836
Other current liabilities	6	7,034,732	3,744,904
Short-term provisions	7	953,554	1,057,361
		28,810,142	**25,818,101**
TOTAL		**40,319,214**	**33,948,232**
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	8	69,190	64,073
Non-current investments	9	501	501
Deferred tax assets (net)	10	810,579	660,133
Long-term loans and advances	11	6,112,542	5,033,792
		6,992,812	**5,758,499**
Current assets			
Trade receivables	12	21,625,149	20,205,382
Cash and bank balances	13	9,300,645	5,750,727
Short-term loans and advances	14	666,115	968,489
Other current assets	15	1,734,493	1,265,135
		33,326,402	**28,189,733**
TOTAL		**40,319,214**	**33,948,232**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2 - 26		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number
101248W / W-100022

For and on behalf of the Board of Directors of
SYSTIME Computer Corporation

Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

Place: Pune
Date: 27 April 2015

Statement of Profit and Loss for the year ended

	Note	31 March 2015	31 March 2014
			(Currency - USD)
			(Refer Note 26)
Revenue from operations			
Sale of services	16	91,300,098	78,587,705
		91,300,098	78,587,705
Other income	17	2,822,515	3,295,399
Total revenue		**94,122,613**	**81,883,104**
Expenses			
Employee benefit expense	18	32,444,386	21,711,228
Finance costs	19	-	29,339
Depreciation and amortization expense	8	29,139	17,903
Other expenses	20	56,842,318	51,856,003
Total expenses		**89,315,843**	**73,614,473**
Profit before tax		**4,806,770**	**8,268,631**
Tax expense			
Current tax		1,907,263	1,495,324
Deferred tax benefit		(150,446)	(42,183)
Total tax expense		**1,756,817**	**1,453,141**
Profit for the year		**3,049,953**	**6,815,490**
Basic earnings per share of no par value (in USD)	25	**14.94**	**33.40**
Diluted earnings per share of no par value (in USD)	25	**14.94**	**33.40**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2 - 26		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number
101248W / W-100022

For and on behalf of the Board of Directors of
SYSTIME Computer Corporation

Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

Place: Pune
Date: 27 April 2015

Cash Flow Statement for the year ended

(Currency - USD)

PARTICULARS	31 March 2015	31 March 2014
		(Refer Note 26)
A] CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	4,806,770	8,268,631
Adjustments for		
Depreciation / Amortization	29,139	17,903
Interest income	(204,637)	(38,984)
Interest expense	-	29,339
Dividend income	(379,691)	-
	(555,189)	8,258
Operating Profit before working capital changes	4,251,581	8,276,889
Adjustments for changes in working capital:		
Increase / (Decrease) in Long Term Provisions	328,988	476,145
Increase / (Decrease) in Trade Payables	(193,980)	6,497,654
Increase / (Decrease) in Other Current Liabilities	3,289,828	2,190,664
Increase / (Decrease) in Short Term Provisions	55,595	(377,311)
(Increase) / Decrease in Trade Recievables	(1,419,767)	(4,858,136)
(Increase) / Decrease in Short term Loans and Advances	302,374	204,252
(Increase) / Decrease in Other Current Assets	(469,358)	(160,889)
	1,893,680	3,972,379
Cash generated from operations	6,145,261	12,249,268
Taxes Paid	(2,054,239)	(2,747,902)
Net cash from operating activities	**4,091,022**	**9,501,366**
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(34,256)	(69,287)
Loans granted to related parties	(3,403,229)	(4,022,087)
Loans repaid by related parties	2,312,053	-
Interest received	204,637	38,984
Dividend received on non-current investment	379,691	-
Net Cash from /(used in) investing activities	**(541,104)**	**(4,052,390)**
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term loan (other than bank)	-	(625,570)
Interest expenses	-	(29,339)
Net cash from /(used in) financing activities	**-**	**(654,909)**
Net Increase/(decrease) in cash and cash equivalents (A + B+ C)	**3,549,918**	**4,794,067**
Cash and cash equivalents at close of the year (Refer note 1 below)	9,300,645	5,750,727
Cash and cash equivalents at beginning of the year (Refer note 1 below)	5,750,727	956,660
Cash surplus / (deficit) for the year	**3,549,918**	**4,794,067**
Note 1:		
Cash and cash equivalents include:		
Cheques in Hand	-	29,064
Balance with banks		
- In current accounts	9,300,645	5,721,663
Total Cash and cash equivalents	**9,300,645**	**5,750,727**

Note 2:
Figures in brackets represent outflows of cash and cash equivalents.

Note 3:
The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on cash flow statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number
101248W / W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April 2015

For and on behalf of the Board of Directors of
SYSTIME Computer Corporation

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

Notes forming part of the financial statements

Company Overview:

SYSTIME Computer Corporation is a Company incorporated in California on January 21, 1997. The Company is a wholly owned subsidiary of KPIT Technologies Limited, India.

The Company is engaged in the business of providing software consultancy services in the areas of Enterprise Resource Planning, Customer Relationship Management, Supply Chain Management, Business Intelligence, Business Integration, Human Resource Management, Infrastructure Management Services and Strategic Sourcing.

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The financial statements are Special Purpose Financial Statements prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India and have been prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles (GAAP) in India and comply, as applicable to KPIT Technologies Limited, with the Accounting Standards ("AS") specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements are presented in US Dollars ("USD") and are rounded off to the nearest USD.

Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any difference between the actual results and estimates are recognised in the period in which the results are known/ materialize. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.2 Revenue recognition:

Revenue from software development and services on time and material basis is recognized based on software development, services rendered and related costs incurred based on timesheets and are billed to clients as per the contractual obligations. Revenue from fixed price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized based upon the proportionate completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from the sale of software products is recognized when the sale is completed with the passing of the ownership.

Interest income is recognized on time proportion basis.

Dividend income is recognized when the Company's right to receive dividend is established.

1.3 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

1.4 Current-non current classification

All assets and liabilities are classified into current and non-current.

Asset

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is expected to be realised within 12 months after the reporting date; or
d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liability

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is due to be settled within 12 months after the reporting date; or
d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company is less than twelve months.

1.5 **Fixed Assets:**

Tangible fixed assets:

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Tangible fixed assets under construction are disclosed as capital work-in-progress.

1.6 **Depreciation:**

Depreciation on tangible fixed assets is provided based on useful life in the manner specified below:

Type of asset	Useful life Number of years
Plant and equipment	4
Office Equipment	10
Furniture and fixtures	8

1.7 **Accounting for taxes on income**

Income tax

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the Statement of Profit and Loss. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

1.8 **Impairment of Assets:**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

During the year under consideration, there was no indication, either internal or external as to the impairment of any of the assets.

1.9 **Investments:**

Long Term investments are stated at cost less provision for diminution, other than temporary, in value of such investments.

1.10 **Leases**

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor, are classified as Operating Leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on straight line basis over the term of the lease.

1.11 **Earnings per share:**

The Company reports its basic and diluted earnings per share in accordance with Accounting Standard - 20 Earnings per Share.

Basic earnings per share is computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit for the period after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.12 **Foreign currency transactions**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated at the year-end rates and the exchange differences so determined as also the realised exchange differences are recognised in the Statement of Profit and Loss.

1.13 **Employee benefits**

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation carried out at each Balance Sheet date using the Projected Unit Credit Method.

1.14 **Provisions, Contingent Liabilities and Contingent Assets:**

As per Accounting Standard (AS) 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for -

(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) Present obligations that arise from past events but are not recognized because-

- i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii. A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can 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.

(Currency - USD)

		31 March, 2015	31 March, 2014 (Refer note 26)
2	**Share capital**		
	Authorised		
	1,000,000 shares common stock		
	Issued, subscribed and paid-up:		
	204,082 (Previous year : 204,082) shares of common stock fully paid up	110,000	110,000
		110,000	**110,000**
3	**Reserves and surplus**		
	Surplus in Statement of Profit and Loss		
	At the commencement of the year	7,543,986	728,496
	Add : Profit for the year	3,049,953	6,815,490
		10,593,939	**7,543,986**

(Currency - USD)

		31 March, 2015	31 March, 2014 (Refer note 26)
4	**Long term provisions**		
	Provision for employee benefits		
	- compensated absences	805,133	476,145
		805,133	**476,145**
5	**Trade payables**		
	Trade payables	20,821,856	21,015,836
		20,821,856	**21,015,836**
6	**Other current liabilities**		
	Unearned revenue	698,111	188,726
	Accrued employee costs	2,371,144	1,432,719
	Payable to related parties (Refer note 24)	3,221,613	1,895,978
	Statutory liabilities	743,864	227,481
		7,034,732	**3,744,904**

(Currency - USD)

		31 March, 2015	31 March, 2014 (Refer note 26)
7	**Short term provisions**		
	Provision for employee benefit		
	- Provision for compensated absences	202,619	147,024
	Current tax (net of advance tax)	750,935	910,337
		953,554	**1,057,361**

8 Fixed Assets

Particulars	GROSS BLOCK				Depreciation / Amortization / Diminution				NET BLOCK	
	As at 1 April 2014	Additions during the year 2014-15	Disposals during the year 2014-15	As at 31 March 2015	Up to 1 April 2014	For the year	On Disposals/ Adjustments	Up to 31 March 2015	As on 31 March 2015	As on 31 March 2014
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
TANGIBLE ASSETS										
Furniture and Fixtures	45,000	-	-	45,000	45,000	-	-	45,000	-	-
Office equipments	13,825	-	-	13,825	12,771	(122)	-	12,649	1,176	1,054
Plant and Equipment	171,518	34,256	-	205,774	108,499	29,261	-	137,760	68,014	63,019
TOTAL TANGIBLE ASSETS	**230,343**	**34,256**	**-**	**264,599**	**166,270**	**29,139**	**-**	**195,409**	**69,190**	**64,073**
PREVIOUS YEAR	**161,056**	**69,287**	**-**	**230,343**	**148,367**	**17,903**	**-**	**166,270**	**64,073**	

(Currency - USD)

		31 March, 2015	31 March, 2014 (Refer note 26)
9	**Non-current investments**		
	Trade investments (unquoted)		
	Investments in equity instruments of subsidiaries (at cost)		
	SYSTIME Global Solutions LtdA, Brazil	500	500
	1,000 (Previous year 1,000) shares of BRL 1 each		
	KPIT Technologies Corporation	1	1
	(formerly SYSTIME Global Solutions Inc., Canada) 1 (Previous year 1) common share of CAD 1 each		
		501	**501**
10	**Deferred tax asset (net)**		
	Break up of deferred tax liabilities at the year end		
	Arising due to timing differences in		
	-Provision for depreciation	23,524	-
	Total	**23,524**	**-**
	Break up of deferred tax assets at the year end		
	Nature of timing difference		
	-Provision for bad and doubtful debts	469,944	448,256
	-Provision for leave encashment	364,159	211,877
	Total	**834,103**	**660,133**
	Net deferred tax asset	**810,579**	**660,133**
11	**Long term loans and advances**		
	(Unsecured, considered good unless otherwise stated)		
	Loans to related parties (Refer note 24)		
	-Loan to KPIT Infosystems Inc. USA	-	2,312,053
	-Loan to KPIT Infosystems ME FZE, UAE	5,113,262	1,710,033
	Advance taxes and tax deducted at source (net of provisions)	999,280	1,011,706
		6,112,542	**5,033,792**

(Currency - USD)

		31 March, 2015	31 March, 2014 (Refer note 26)
12	**Trade receivables**		
	(Unsecured, considered good unless otherwise stated)		
	Outstanding for a period exceeding six months from the date they were due for payment		
	- Considered good	306,092	342,806
	- Considered doubtful	715,607	1,183,094
	Less: Provision for doubtful trade receivables	715,607	1,183,094
		306,092	342,806
	Others receivables		
	- Considered good	21,319,057	19,862,576
	- Considered doubtful	323,948	-
	Less: Provision for doubtful trade receivables	323,948	-
		21,319,057	19,862,576
		21,625,149	**20,205,382**
13	**Cash and bank balances**		
	Cash and cash equivalents		
	Cheques in hand	-	29,064
	Balances with banks		
	- In current account	9,300,645	5,721,663
		9,300,645	**5,750,727**
14	**Short term loans and advances**		
	(Unsecured, considered good unless otherwise stated)		
	To related parties (Refer note 24)		
	- Receivables from subsidiary company	21,196	891,723
	To parties other than related parties		
	-employee advances	84,744	70,481
	-security deposits	2,889	2,889
	-prepaid expenses	11,496	3,396
	-advance to customer	135,305	135,305
	Less : Provision for advances	(135,305)	(135,305)
	-advance to suppliers	545,790	-
		644,919	76,766
		666,115	**968,489**

(Currency - USD)

		31 March, 2015	31 March, 2014 (Refer note 26)
15	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Unbilled revenue	1,734,493	1,265,135
		1,734,493	**1,265,135**
16	**Revenue from operations**		
	Income from software services	91,300,098	78,587,705
		91,300,098	**78,587,705**
17	**Other income**		
	Interest income	204,637	38,984
	Dividend income from non-current investments	379,691	-
	Foreign exchange gain (net)	112,124	-
	Liabilities written back to the extent no longer required	1,982,523	-
	Other non operating income (including miscellaneous income)	143,540	3,256,415
		2,822,515	**3,295,399**
18	**Employee benefits expense**		
	Salaries, wages and bonus	32,328,736	21,614,962
	Staff welfare expenses	115,650	96,266
		32,444,386	**21,711,228**
19	**Finance costs**		
	Interest expense	-	29,339
		-	**29,339**
20	**Other expenses**		
	Travel and overseas expenses (net)	3,395,697	6,158,030
	Travelling and conveyance (net of recovery)	541,710	501,850
	Cost of service delivery	29,827,946	25,082,329
	Cost of professional subcontracting	18,079,987	17,166,009
	Recruitment and training expenses	612,301	154,797
	Power and fuel	167,187	138,314
	Rent including lease rentals	264,475	249,219
	Repairs & maintenance -		
	- plant and equipment	-	2,928
	- others	250,331	173,979
	Insurance	153,398	114,715
	Rates and taxes	18,988	10,167
	Communication expenses	271,691	210,667
	Legal and professional fees	948,265	571,467
	Marketing expenses	797,584	763,501
	Foreign exchange loss (net)	-	100,466
	Printing and stationery	15,765	27,140
	Bad debts written off	746,473	-
	Provision for doubtful debts and advances (net)	-	25,235
	Miscellaneous expenses	750,520	405,190
		56,842,318	**51,856,003**

Note:

Certain expenses are net of recoveries/reimbursments from customers.

21 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2015.

22 Details of foreign currency exposures those are not hedged by a derivative instrument or otherwise:

Particulars	FY 2014-2015		FY 2013-2014	
	Amount in Foreign Currency	Equivalent amount in USD	Amount in Foreign Currency	Equivalent amount in USD
Trade payables				
BRL	389,970	121,457	-	-
CAD	107,721	84,659	701	779
EUR	16,247	17,524	68,477	94,087
GBP	-	-	109,597	182,085
INR	17,047,299	272,361	7,415,730	123,390
SGD	-	-	1,500	1,186
MXN	42,790	2,805	-	-
Trade receivables				
AUD	10,225	7,789	-	-
CAD	13,020	10,233	-	-
EUR	12,567	13,555	75	103
INR	5,649,236	90,257	-	-

23 Segment reporting

The Company primarily operates in its domestic market and hence there are no reportable geographical segments. Further, the Company is engaged in providing software and IT related services which is considered to be a single business segment.

24 Related party transactions:

A. Name of the related party and nature of relationship where control exists

Relationship	Name of related party
Holding Company	KPIT Technologies Limited, India
Subsidiary Companies (Direct Holding)	KPIT Technologies Corporation (Formerly SYSTIME Global Solutions Inc., Canada)
	SYSTIME Global Solutions LtdA, Brazil

B. List of other related parties with whom there are transactions in the current year

Relationship	Name of related party
Holding Company	KPIT Technologies Limited, India
Fellow Subsidiary Companies	KPIT Infosystems Inc., USA
	KPIT Technologies France (formerly KPIT Infosystems France)
	KPIT Infosystems ME FZE (Australia Branch)
	KPIT Infosystems ME FZE, Dubai
	CPG Solutions LLC, USA
	KPIT Technologies (UK) Ltd
	KPIT Technologies Soluções Em Informática Ltda. (Formerly KPIT Infosystem (Brasil) Servicos De Technologia e Participacoes Ltda)
	KPIT Technologies GmbH, Germany
	Sparta Consulting Inc. USA
	SYSTIME Global Solutions LtdA, Brazil

C. Transactions with related parties

Sr. no.	Name of the related party	Description of relationship	Nature of transaction	Amount of transaction 2014-15 (USD)	Balance as at 31 March 2015 (USD)	Amount of transaction 2013-14 (USD)	Balance as at 31 March 2014 (USD)
1	KPIT Technologies Limited, India	Holding company	Advance received (net)	23,203	(625,008)	67,548	880,315
			Reimbursement of expenses	2,792,774		-	
			Software service charges	25,255,428	(17,823,673)	23,782,039	(16,401,441)
2	KPIT Technologies Corporation (erstwhile SYSTIME Global Solutions Inc., Canada	Subsidiary company	Software service charges	208,224	(128,685)	170,375	(88,062)
			Sale of software services	333,548	333,091	-	-
			Reimbursement of expenses	124,101	(185,826)	-	11,408
			Advance given (net)	5,142		13,727	
3	KPIT Infosystems Inc., USA	Fellow subsidiary company	Advance received (net)	-	-	51,665	(58,928)
			Repayment of loan (including interest)	3,399,817	-	1,443,233	-
			Sale of software services	3,134,690	1,254,215	-	-
			Software service charges	790,503	(289,138)	-	-
			Reimbursement of expenses	3,611,774	(2,230,217)	-	-
			Loan taken (including interest)	-	-	827,045	-
			Interest income on loan	87,764	-	12,053	2,312,053
			Loan given	1,000,000		2,300,000	
4	KPIT Technologies France (erstwhile KPIT Infosystems France)	Fellow subsidiary company	Advance received (net)	-	-	91,600	(92,860)
			Sale of software services	2,023,956	374,520	-	-
			Software service charges	85,525	(20,324)	-	-
			Reimbursement of expenses	73,907	-	-	-
5	KPIT Infosystems ME FZE (Australia Branch)	Fellow subsidiary company	Sale of software services	19,843	16,990	-	-
6	KPIT Infosystems ME FZE, Dubai	Fellow subsidiary company	Loan given (including interest)	3,300,000	5,113,262	1,700,000	1,710,033
			Interest income on loan	103,229		10,033	
7	CPG Solutions LLC, USA	Fellow subsidiary company	Sale of software services	618,796	117,909	168,760	168,760
			Software service charges	3,196,465	(398,678)	3,141,237	(2,312,450)
			Reimbursement of expenses	964,337	(180,562)	1,666,487	(1,666,490)
8	KPIT Technologies (UK) Ltd (erstwhile KPIT Infosystems Limited)	Fellow subsidiary company	Software service charges	562,535	(191,758)	717,275	(104,385)
			Reimbursement of expenses	411,291	6,200	-	(77,700)
			Advance received (net)	-		146,362	
			Sale of software services	44,550	9,945	-	-
9	KPIT Technologies Soluções Em Informática Ltda. (erstwhile KPIT Infosystem (Brasil) Servicos De Technologia e Participacoes Ltda)	Fellow subsidiary company	Software service charges	279,160	(101,806)	146,652	(96,888)
10	KPIT Technologies GmbH, Germany	Fellow subsidiary company	Software service charges	6,997	-	-	-
11	Sparta Consulting Inc. USA	Fellow subsidiary company	Sale of software services	30,256	30,209	-	-
			Software service charges	103,841	(37,835)	-	-
			Reimbursement of expenses	14,996	14,996	-	-
12	SYSTIME Global Solutions LtdA, Brazil	Subsidiary company	Dividend received	379,691	-	-	-

25 Basic and diluted earnigs per share:

Particulars		FY 2014-15	FY 2013-14
Profit for the year after tax	USD	3,049,953	6,815,490
Profit attributtable to shareholders	USD	3,049,953	6,815,490
Weighted average number of shares	No. of shares	204,082	204,082
Earnings per share - Basic and diluted	**USD**	**14.94**	**33.40**

26 Prior year comparitives

As the financial statements of the Company have been prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India which are effective from financial periods beginning from 1 April 2014, and were not required to be audited in the earlier periods, the comparatives figures reported in the financial statement are unaudited.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number
101248W / W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April 2015

For and on behalf of the Board of Directors of
SYSTIME Computer Corporation

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

KPIT Technologies Corporation (erstwhile SYSTIME Global Solutions Inc.)

Registered Office: 8120-128 Street, Surrey BC V3W 1R1, Canada.

Board's Report

Dear Shareholders,

Your Board of Directors are pleased to present herewith the report of the Directors on the operations of the Company together with the audited accounts for the financial year ended on March 31, 2015.

Financial Results

Particulars	2014-15 CAD	2013-14 CAD
Total Revenues	9,736,093	6,490,593
Net Profit /(Loss) for the year	1,668,737	2,192,188

Operations

During the year under review, total revenues of the Company increased by 50% however net profit declined by 24% due to increased overhead cost.

Name Change

As a part of the branding strategy of the parent company, the name of the Company was changed to KPIT Technologies Corporation, during the year.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders. However, the Indian Companies Act, 2013 and the rules framed thereunder mandate audit of the books of accounts of the Company. Therefore, the Company appointed BSR & Co LLP as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

For and on behalf of the Board of Directors
KPIT Technologies Corporation

Kishor Patil
Chairman

Pune
April 27, 2015

Independent Auditors' Report

To the Board of Directors of
KPIT Technologies Corporation
(erstwhile SYSTIME Global Solutions Inc.)

Report on the Financial Statements

We have audited the accompanying financial statements of KPIT Technologies Corporation (erstwhile SYSTIME Global Solutions Inc.) ("the Company"), which comprise the Balance Sheet as at 31 March 2015 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. The financial statements have been prepared by the management in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Act in India.

Management's 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 generally accepted accounting principles (GAAP) in India and comply, as applicable to KPIT Technologies Limited, with the Accounting Standards ("AS") specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal controls 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 controls 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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 31 March 2015;

(b) in the case of the Statement of Profit and Loss, of the profit 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.

Emphasis of Matter

1. We draw attention to note 1.1 to the financial statements which more fully explains that these financial statements are Special Purpose Financial Statements prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India which are effective from financial periods beginning from 1 April 2014. As a result, the financial statements may not be suitable for any other purpose. Our opinion is not qualified in respect of this matter.
2. We draw attention to note 22 to the financial statements which more fully explains that the comparatives figures reported in these financial statements are unaudited. Our opinion is not qualified in respect of this matter.

For B S R & Co LLP
CharteredAccountants
Firm Registration No.: 101248W/W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April 2015

Balance sheet as at

(Currency - CAD)

	Note	31 March 2015	31 March 2014 (Refer note 22)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1	1
Reserves and surplus	3	4,918,936	3,250,199
		4,918,937	3,250,200
Current liabilities			
Trade payables	4	1,444,225	582,232
Other current liabilities	5	790,492	611,327
Short-term provisions	6	551,229	758,601
		2,785,946	1,952,160
TOTAL		**7,704,883**	**5,202,360**
ASSETS			
Non-current assets			
Long-term loans and advances	7	1,904,531	1,656,895
		1,904,531	1,656,895
Current assets			
Trade receivables	8	4,198,776	3,020,023
Cash and bank balances	9	920,644	472,481
Short-term loans and advances	10	395,037	12,232
Other current assets	11	285,895	40,729
		5,800,352	3,545,465
TOTAL		**7,704,883**	**5,202,360**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-22		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

For and on behalf of the Board of Directors of
KPIT Technologies Corporation

Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

Place : Pune
Date: 27 April 2015

Statement of Profit and Loss for the year ended

(Currency - CAD)

	Note	31 March 2015	31 March 2014 (Refer note 22)
Revenue from operations			
Sale of services	12	9,201,921	6,234,257
Other income	13	534,172	256,336
Total revenue		**9,736,093**	**6,490,593**
Expenses			
Employee benefit expense	14	2,609,897	1,037,098
Other expenses	15	4,595,808	2,308,525
Total expenses		**7,205,705**	**3,345,623**
Profit before tax		**2,530,388**	**3,144,970**
Tax expense			
Current tax		861,651	952,782
Total tax expense		**861,651**	**952,782**
Profit for the year		**1,668,737**	**2,192,188**
Basic earnings per share of no par value (in CAD)	21	**16,687**	**21,922**
Diluted earnings per share of no par value (in CAD)	21	**16,687**	**21,922**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-22		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

For and on behalf of the Board of Directors of
KPIT Technologies Corporation

Juzer Miyajiwala
Partner
Membership No. 047483

Kishor Patil
Director

Sachin Tikekar
Director

Place: Pune
Date: 27 April 2015

Place : Pune
Date: 27 April 2015

Cash Flow Statement for the year ended

(Currency - CAD)

PARTICULARS	31 March 2015	31 March 2014 (Refer note 22)
A] CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	2,530,388	3,144,970
Adjustments for		
Interest income	(48,367)	(4,623)
Operating Profit before working capital changes	2,482,021	3,140,347
Adjustments for changes in working capital:		
Increase / (Decrease) in Trade Payables	861,993	(389,592)
Increase / (Decrease) in Other Current Liabilities	179,165	(236,242)
Increase / (Decrease) in Short Term Provisions	44,909	(7,251)
(Increase) / Decrease in Trade Recievables	(1,178,753)	(597,375)
(Increase) / Decrease in Short term Loans and Advances	(382,805)	(12,232)
(Increase) / Decrease in Other Current Assets	(245,166)	(28,745)
Cash generated from operations	1,761,364	1,868,910
Taxes Paid	(1,078,238)	(301,026)
Net cash from operating activities (A)	**683,126**	**1,567,884**
B] CASH FLOW FROM INVESTING ACTIVITIES		
Loan given to related parties	(283,330)	(1,560,734)
Interest received	48,367	4,623
Net Cash from /(used in) investing activities (B)	**(234,963)**	**(1,556,111)**
Net Increase / (decrease) in cash and cash equivalents (A + B)	**448,163**	**11,773**
Cash and cash equivalents at close of the year (refer note 1 below)	920,644	472,481
Cash and cash equivalents at beginning of the year (refer note 1 below)	472,481	460,708
Cash surplus / (deficit) for the year	**448,163**	**11,773**
Note 1:		
Cash and cash equivalents include:		
Balance with banks		
- In current accounts	920,644	472,481
Total Cash and cash equivalents	**920,644**	**472,481**

Note 2:

Figures in brackets represent outflows of cash and cash equivalents.

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

Juzer Miyajiwala
Partner
Membership No. 047483
Place: Pune
27 April 2015

For and on behalf of the Board of Directors of
KPIT Technologies Corporation

Kishor Patil
Director

Sachin Tikekar
Director

27 April 2015

Notes forming part of the financial statements

Company Overview:

KPIT Technologies Corporation is a Company incorporated in British Columbia, Canada on January 21, 1997. The Company is a wholly owned subsidiary of Systime Computer Corporation, USA. The ultimate holding company is KPIT Technologies Limited, India.

The Company is engaged in the business of providing software consultancy services in the areas of Enterprise Resource Planning, Customer Relationship Management, Supply Chain Management, Business Intelligence, Business Integration, Human Resource Management, Infrastructure Management Services and Strategic Sourcing.

1. Significant Accounting Policies:

1.1 Basis for preparation of financial statements:

The financial statements are Special Purpose Financial Statements prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India and have been prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles (GAAP) in India and comply, as applicable to KPIT Technologies Limited, with the Accounting Standards ("AS") specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements are presented in Canadian Dollars ("CAD") and are rounded off to the nearest CAD.

Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any difference between the actual results and estimates are recognised in the period in which the results are known/ materialize. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.2 Revenue recognition:

Revenue from software development and services on time and material basis is recognized based on software development, services rendered and related costs incurred based on timesheets and are billed to clients as per the contractual obligations. Revenue from fixed price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized based upon the proportionate completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from the sale of software products is recognized when the sale is completed with the passing of the ownership.

Interest income is recognized on time proportion basis.

1.3 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

1.4 Current-non current classification

All assets and liabilities are classified into current and non-current.

Asset

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is expected to be realised within 12 months after the reporting date; or
d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liability

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is due to be settled within 12 months after the reporting date; or
d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle of the Company is less than twelve months.

1.5 Accounting for taxes on income

Income tax

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the Statement of Profit and Loss. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

1.6 Leases

Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor, are classified as Operating Leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on straight line basis over the term of the lease.

1.7 Earnings per share:

The Company reports its basic and diluted earnings per share in accordance with Accounting Standard - 20 Earnings per Share.

Basic earnings per share is computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit for the period after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

1.8 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated at the year-end rates and the exchange differences so determined as also the realised exchange differences are recognised in the Statement of Profit and Loss.

1.9 Employee benefits

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation carried out at each Balance Sheet date using the Projected Unit Credit Method.

1.10 Provisions, Contingent Liabilities and Contingent Assets:

As per Accounting Standard (AS) 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for -

(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) Present obligations that arise from past events but are not recognized because-

i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii. A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can 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.

(Currency - CAD)

		31 March, 2015	31 March, 2014 (Refer Note 22)
2	**Share capital**		
	Issued, subscribed and paid-up:		
	100 (2014 : 100) Class A voting common shares with no par value fully paid up	1	1
		1	**1**
3	**Reserves and surplus**		
	Surplus in Statement of Profit and Loss		
	At the commencement of the year	3,250,199	1,058,011
	Add : Profit for the year	1,668,737	2,192,188
		4,918,936	**3,250,199**
4	**Trade payables**		
	Trade payables	1,444,225	582,232
		1,444,225	**582,232**
5	**Other current liabilities**		
	Unearned revenue	448,114	290,344
	Accrued employee costs	187,961	49,816
	Payable to related parties (Refer note 19)	18,463	43,202
	Statutory liabilities	135,954	227,965
		790,492	**611,327**
6	**Short term provisions**		
	Provision for employee benefit		
	- Provision for compensated absences	75,238	30,329
	Provision for taxes		
	- Current tax (net of advance tax)	475,991	728,272
		551,229	**758,601**
7	**Long term loans and advances**		
	(Unsecured, considered good unless otherwise stated)		
	Loans to related parties (Refer note 19)		
	-Loan to KPIT Infosystems Inc., USA	1,844,064	1,560,734
	Loans and advances to other than related parties		
	- Advance taxes and tax deducted at source (net of provisions)	60,467	96,161
		1,904,531	**1,656,895**
8	**Trade receivables**		
	(Unsecured, considered good unless otherwise stated)		
	Outstanding for a period exceeding six months from the date they were due for payment		
	- Considered good	33,666	13,495
	- Considered doubtful	193,873	30,644
	Less: Provision for doubtful trade receivables	193,873	30,644
		33,666	**13,495**
	Others receivables		
	- Considered good	4,165,110	3,006,528
	- Considered doubtful	-	-
	Less: Provision for doubtful trade receivables	-	-
		4,165,110	3,006,528
		4,198,776	**3,020,023**
9	**Cash and bank balances**		
	Cash and cash equivalents		
	Balances with banks - In current account	920,644	472,481
		920,644	**472,481**

(Currency - CAD)

		31 March, 2015	31 March, 2014 (Refer Note 22)
10	**Short term loans and advances**		
	(Unsecured, considered good unless otherwise stated)		
	To related parties (Refer note 19)		
	- Receivables from related parties	236,447	-
	To parties other than related parties		
	-employee advances	29,497	12,232
	-security deposits	1,089	-
	-prepaid expenses	128,004	-
		158,590	12,232
		395,037	**12,232**
11	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Unbilled revenue	285,895	40,729
		285,895	**40,729**
12	**Revenue from operations**		
	Income from software services	9,201,921	6,234,257
		9,201,921	**6,234,257**
13	**Other income**		
	Interest income	48,367	4,623
	Foreign exchange gain (net)	485,805	251,713
		534,172	**256,336**
14	**Employee benefits expense**		
	Salaries, wages and bonus	2,605,269	1,037,098
	Staff welfare expenses	4,628	-
		2,609,897	**1,037,098**
15	**Other expenses**		
	Travel and overseas expenses (net of recovery)	16,401	83,759
	Travelling and conveyance (net of recovery)	34,260	-
	Cost of service delivery	3,187,216	1,567,300
	Cost of professional subcontracting	990,850	621,825
	Recruitment and training expenses	65,899	873
	Rent (Refer note 20)	21,959	-
	Rates and taxes	30,608	4,636
	Legal and professional fees	51,960	15,990
	Marketing expenses	12,118	-
	Provision for doubtful debts and advances (net)	163,229	12,917
	Miscellaneous expenses	21,308	1,225
		4,595,808	**2,308,525**

Note :

Certain expenses are net of recoveries/reimbursements from customers

16 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2015.

17 Details of foreign currency exposures those are not hedged by a derivative instrument or otherwise:

Particulars	FY 2014-2015		FY 2013-2014	
	Amount in Foreign Currency	Equivalent amount in CAD	Amount in Foreign Currency	Equivalent amount in CAD
Trade payables / dues to related parties				
EUR	209,928	288,293	-	-
USD	586,855	746,717	17,039	15,335
INR	552,052	11,223	151,707	2,524
Trade receivables / dues from related parties / unbilled revenue				
AUD	353	342	-	-
DKK	9,995	1,923	-	-
INR	6,430,283	130,721	-	-
USD	1,757,684	2,206,851	965,371	868,837
Loans				
USD	1,449,276	1,844,064	1,404,665	1,560,734

18 Segment reporting

The Company primarily operates in its domestic market and hence there are no reportable geographical segments. Further, the Company is engaged in providing software and IT enabled services which is considered to be a single business segment.

19 Related party transactions:

A. Name of the related party and nature of relationship where control exists

Relationship	Name of related party
Ultimate holding company	KPIT Technologies Limited, India
Holding Company	Systime Computer Corporation, USA

B. List of related parties with whom there are transactions in the current year

Relationship	Name of related party
Ultimate holding company	KPIT Technologies Limited, India
Holding Company	Systime Computer Corporation, USA
Fellow Subsidiary Companies	KPIT Infosystems Inc., USA
	KPIT Infosystems ME FZE Australia Branch
	KPIT Technologies (UK) Ltd (erstwhile KPIT Infosystems Limited)
	CPG Solutions LLC, USA
	KPIT Technologies GmbH, Germany
	Sparta Consulting Inc. USA
	KPIT Technologies France (erstwhile KPIT Infosystems France)

C. Transactions with related parties

Sr. no.	Name of the related party	Description of relationship	Nature of transaction	Amount of transaction (CAD) 2014-15	Balance Receivable/ (payable)as at 31 March 2015 (CAD)	Amount of transaction (CAD) 2013-14	Balance Receivable/ (payable)as at 31 March 2014 (CAD)
1	KPIT Technologies Limited, India	Ultimate holding company	Advance received (net)	79,578	(18,463)	12,864	(30,527)
			Software service charges	1,956,006	(629,118)	1,423,112	(278,612)
2	Systime Computer Corporation, USA	Holding Company	Software service charges	362,441	(423,826)	-	-
			Advance given (net)	-		13,301	
			Advance received (net)	5,574	236,447	-	(12,675)
			Reimbursement of expenses	133,733		-	
			Sale of software services	246,909	163,739	168,842	97,846
3	KPIT Infosystems Inc., USA	Fellow subsidiary company	Sale of software services	134,505	135,184	-	-
			Loan given (including interest)	-	1,844,064	1,556,111	1,560,734
			Interest income	48,367	-	4,623	-
			Software service charges	18,683	-	-	-
4	KPIT Infosystems ME FZE Australia Branch	Fellow subsidiary company	Sale of software services	6,248	6,248	-	-
5	KPIT Technologies (UK) Ltd (erstwhile KPIT Infosystems Limited)	Fellow subsidiary company	Sale of software services	125,355	58,792	-	-
6	CPG Solutions LLC, USA	Fellow subsidiary company	Software service charges	143,579	(2,882)	-	-
7	KPIT Technologies GmbH, Germany	Fellow subsidiary company	Software service charges	563,135	(283,760)	-	-
8	Sparta Consulting Inc. USA	Fellow subsidiary company	Sale of software services	15,391	16,019	-	-
9	KPIT Technologies France (erstwhile KPIT Infosystems France)	Fellow subsidiary company	Sale of software services	87,385	68,125	-	-

20 Lease transactions

Operating leases

Rental expenses of CAD 21,959 in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

21 Basic and diluted earnigs per share:

Particulars		FY 2014-15	FY 2013-14
Profit for the year after tax	CAD	1,668,737	2,192,188
Profit attributtable to shareholders	CAD	1,668,737	2,192,188
Weighted average number of shares	No. of shares	100	100
Earnigs per share - Basic and diluted	CAD	16,687	21,922

22 As the financial statements of the Company have been prepared to enable KPIT Technologies Limited (the ultimate holding company) to comply with the provisions of section 136(1) of the Companies Act, 2013 in India which are effective from financial periods beginning from 1 April 2014, and were not required to be audited in the earlier periods the comparatives figures reported in the financial statement are unaudited.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number 101248W / W-100022

Juzer Miyajiwala
Partner
Membership No. 047483

Place: Pune
Date: 27 April 2015

For and on behalf of the Board of Directors of
KPIT Technologies Corporation

Kishor Patil
Director

Sachin Tikekar
Director

Place : Pune
Date: 27 April 2015

KPIT Technologies Soluções em Informática Ltda

Registered Office: Rua James Watt, n.º, 84, 8º andar – Jardim Edith, CEP 04576-060, Sao Paulo.

Board's Report

Dear Shareholders,

Your Directors are pleased to present herewith the Third report on the operations of the Company together with the audited accounts for the financial year ended on March 31, 2015.

Financial Results

Particulars	2014-15 BRL	2013-14 BRL
Total Revenues	22,393,813	13,172,708
Net Profit /(Loss) for the year	2,029,345	981,908

Operations

During the year under review, total revenues of the Company increased by 70% resulting in growth of 106% in net profit.

Share Capital

During the year, the social capital of the Company was reduced from R$ 5,000,000 to R$ 1,122,145 as there is no immediate requirement of additional capital. The necessary legal formalities in this regard were completed.

Name Change

As a part of the branding strategy of the parent company, the name of the Company was changed to KPIT Technologies Soluções em Informática Ltda., during the year.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders. However, the Indian Companies Act, 2013 and the rules framed thereunder mandate audit of the books of accounts of the Company. Therefore, the Company appointed Actual Pericias Ltda. as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

For and on behalf of the Board of Directors
KPIT Technologies Soluções em Informática Ltda.

Kishor Patil
Chairman

Pune
April 20, 2015

Review Report of Financial Statements

To
The Management of
Kpit Technologies Soluções em Informática Ltda
São Paulo - SP

We reviewed the financial statements of KPIT Technologies Soluções em Informática Ltda. comprising the balance sheet on March 31st, 2015 and respective income statements, changes in shareholders' equity, cash flow for the year ended in such date, as well as the summary of the main accounting practices and other explanatory notes.

Responsibility of Administration on Financial Statements

Company's management board is liable for preparing and submitting the separate financial statements according to the accounting practices adopted in Brazil, and the internal control determined as necessary to allow preparing such financial statements free from relevant distortion irrespective when caused by fraud or error.

Responsibility of Independent Auditors

Our liability is to express an opinion on such financial statements based on our review. We conducted our revision according to the Brazilian and international audit standards. A review of financial statements consists of making inquiries, mainly to responsible people for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than an audit scope conducted in accordance with auditing standards and consequently does not enable the reaching of the same security level for all significant matters that would be identified in an audit.

Base for conclusion for qualified opinion

The Company has continued to adopt, under human resources policy, hiring legal entities as services providers to develop technical activities without any formal employment under Brazilian labor laws. Due to fact of these activities being directly linked with Company's core business, and due to the services performance by certain individuals related to such services providers possibly having characteristics that occasionally may result in potential labor contingency.

Qualified opinion

Based on our review, except for the matter described in the previous paragraph, we are not aware of any fact that let us to believe that the financial statements do not present accordingly, in all material matters, the financial position of KPIT Technologies Soluções em Informática Ltda., on March 31, 2015, the results of its operations and its cash flows for the year ended in such date in accordance with accounting practices adopted in Brazil.

São Paulo, April 20, 2015

Actual Perícias Ltda.
CRC-SP - 2SP023780/O-1

Luiz Alexandre Tumolo
Accountant CRC - 1SP175079/O-5

Balance Sheets

As of March 31, 2015 and 2014

(In Brazilian reais without cents)

Assets	2015	2014	Liabilities	2015	2014
Current assets:			**Current liabilities:**		
Cash and cash equivalents	1,364,446	991,774	Suppliers	95,321	-
Accounts receivable	4,614,768	3,524,390	Taxes and contributions payable	135,504	797,819
Advances to suppliers	6,290	38,811	Payroll and related charges	205,279	115,541
Advances to employees	22,761	17,828	Accrued vacations and related charges	653,297	374,276
Recoverable taxes	440,160	748,477	Accounts payable	-	154,279
Prepaid expenses	-	9,240	Accrued consulting fees	148,629	400,121
			Accrued bonus	304,667	292,626
	6,448,425	5,330,520	Other accruals	118,555	357,040
				1,661,252	2,491,702
Non-Current assets:					
Long Term Debt:			**Non-Current liabilities:**		
Guarantee deposit - rent	10,750	10,750	Intercompany Loan Agreement	800,000	800,000
Property, plant and equipment	103,452	22,462			
	114,202	33,212			
			Shareholders' equity:		
			Capital stock	1,122,145	1,122,145
			Accumulated profits	2,979,230	949,885
				4,101,375	2,072,030
	6,562,627	**5,363,732**		**6,562,627**	**5,363,732**

The accompanying notes are an integral part of these financial statements.

Income Statements

For the Years Ended March 31, 2015 and 2014

(In Brazilian reais without cents, except loss per sharequota)

	2015	2014
Gross revenue:		
Services revenue - domestic market	12,452,691	6,269,083
Services revenue - foreign market	11,593,701	7,816,889
	24,046,392	14,085,972
Deductions:		
Sales Taxes	(1,652,579)	(913,264)
Operational net revenue	22,393,813	13,172,708
Cost of services rendered	(10,739,348)	(6,752,494)
Gross profit	11,654,465	6,420,214
Operational expenses		
Selling expenses	(79,002)	(515,212)
Administrative and general expenses	(9,237,461)	(4,266,738)
Tax expenses	(54,908)	(47,218)
Finance revenues (expenses), net	982,808	(51,256)
	(8,388,563)	(4,880,424)
Net income before financial result	3,265,902	1,539,790
Income and Social contributions tax	(1,236,557)	(557,882)
Net income for the year	**2,029,345**	**981,908**

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

For the Years Ended March 31, 2015 and 2014

(In Brazilian reais without cents)

	Capital Stock			Accumulated	
	Subscribed	To pay	Total	profits	Total
Balances at April 1st, 2013	5,000,000	(4,399,000)	601,000	(32,023)	568,978
Paid capital in money	-	521,145	521,145	-	521,145
Net income for the year	-	-	-	981,908	981,908
Balances at March 31, 2014	5,000,000	(3,877,855)	1,122,145	949,885	2,072,030
Reduction of Subscribed Capital with quotas cancellation	(3,877,855)	3,877,855	-	-	-
Net income for the year	-	-	-	2,029,345	2,029,345
Balances at March 31, 2015	**1,122,145**	**-**	**1,122,145**	**2,979,230**	**4,101,375**

The accompanying notes are an integral part of these financial statements.

Cash Flow Statements

For the Years Ended March 31 2015, and 2014

(In Brazilian reais without cents)

	2015	2014
CASH FLOW OF OPERATIONAL ACTIVITIES		
Net income for the year	2,029,345	981,908
Adjustments to reconcile the fiscal year net profit with Cash generated by operational activities:		
Depreciation and amortization	11,705	1,777
Decrease (Increase) in the operational assets:		
Accounts receivable from clients	(1,090,378)	(2,949,638)
Advances to suppliers	32,521	(38,811)
Advances to employees	(4,933)	48,172
Recoverable taxes	308,317	(697,196)
Prepaid expenses	9,240	15,960
Increase (decrease) in the operational liabilities:		
Suppliers	95,321	(7,975)
Taxes and contributions payable	(662,315)	682,884
Salaries and Labor Taxes payable	89,738	90,986
Accrued vacations and related charges	279,021	351,356
Accounts payable	(154,279)	154,279
Accrued consulting fees	(251,492)	357,412
Accrued bonus	12,041	292,626
Other accruals	(238,485)	279,507
Cash invested in operational activities	**465,367**	**(436,753)**
CASH FLOW OF INVESTMENTS ACTIVITIES		
Guarantee deposit - rent	-	(10,750)
Fixed assets acquisition	(92,695)	(24,239)
Cash invested on activities of investments	**(92,695)**	**(34,989)**
CASH FLOW OF FINANCING ACTIVITIES		
Paid capital	-	521,145
Advance for future capital increase	-	(17,645)
Intercompany loan agreement	-	800,000
Cash generated by financing activities	-	1,303,500
INCREASE (DECREASE) OF AVAILABLE FUNDS BALANCE	**372,672**	**831,758**
CASH AND CASH EQUIVALENTS		
Opening Balance	991,774	160,016
Ending Balance	1,364,446	991,774
INCREASE (DECREASE) OF AVAILABLE FUNDS BALANCE	**372,672**	**831,758**

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

Years Ended March 31, 2015 and 2014

(In Brazilian reais without cents)

1. **Operational context**

   The Company's activities include basically the sale of computer programs, software and applications, the consulting and advisory services in types and configurations, as well as installation project developments related to the products sold, the consulting services in the information technology area and participation in other companies.

2. **Presentation of the Financial Statements**

   a. **Statement of compliance with IFRS and BRGAAP standards**

   Financial Statements have been prepared according to the accounting practices adopted in Brazil which encompasses the Business Corporations Laws, and Pronouncing, Guidance And Interpretation issued by Accounting Pronouncing Committee -CPC.

   The showed amounts take into account the adoption of the Tax Transitional System - RTT as provided for in law nº 11.941 /09, which purpose is to maintain the tax neutrality of changes in Brazilian corporate law, introduced by laws 11.638 /07 and 11.941 /09 and by other changes in accounting standards arising from the IFRS.

   On November 12th, 2013 the Provisional Measure – MP nº 627 was published and converted in Law nº 12.973 in May 13, 2014 which among other provisions, revokes the Tax Transitional Regime - RTT. The provisions of such Provisional Measure shall apply as from the year 2015 or as from the year 2014 for the taxpayers who perform the anticipated adoption. The Administration of Company is evaluating the impacts thereon and which is the period more convenient for the adoption. On March 31st, 2015, the company considers there will be no effects to be taken into account in the Financial Statements.

   On April 20th, 2015, The Administration of Company authorized the conclusion of such financial statements.

   b. **Measurement base**

   The financial statements have been prepared based on the historic cost except the following material items recognized in the balance sheet:

   - Non-derivative financial Instruments designated at fair value by means of the results are measured at fair value.
   - The financial assets available for sale are measured by the fair value.

   c. **Functional Currency and presentation currency**

   The items included in the financial statements have been measured by adopting the currency of the economic environment in which the Company operates (functional currency). The financial statements are showed in Brazilian Reais, which is the Company's functional currency.

   d. **Estimates use and judgment**

   The preparation of the financial statements according to the accounting practices adopted in Brazil requires the use of the judgments, estimates, and suppositions by The Administration of Company affecting the accounting policies use and reported values of the assets, liabilities, incomes and expenses. The actual results might differ from the estimates.

   The estimates and assumptions are reviewed annually by The Administration of Company. The changes are recognized in the financial year in which such estimates are reviewed and in future years affected.

3. **Main Accounting Practices**

   a. **Financial instruments**

   The Company's non-derivative financial assets and liability are classified under the following categories:

   i. ***Non-Derivative financial assets***

   Company recognizes the loans and receivables and deposits firstly on the origin date. All other financial assets (including assets designated by fair value through the results) are recognized firstly on the negotiation date when the Company becomes a party in the contractual provisions of the instrument.

   The Company classifies the non-derivative financial assets in the following categories: financial assets measured at fair value through the income and receivables.

   ii. ***Receivables***

   Receivables are financial assets with fixed or determined payments, which are not offered in the active market. Such assets are recognized firstly at the fair value added from any attributed cost of the transactions. After the initial recognition, the loans and receivables are measured by the amortized cost using the actual interest method, reduced from the loss due to the reduction on the recoverable amount.

   Receivables encompass the cash and cash equivalent, accounts receivables from customers and other receivables.

   iii. ***Cash and cash equivalents***

   Include cash, bank sight deposits and temporary short term investments up to 90 days from the date of investment or deemed of immediate liquidity or convertible into known amount of cash, which are subject to an insignificant risk of change in value and are recorded by the cost values added by the income earned up to the balance sheets dates and do not exceed its market or performance value.

   iv. ***Non-derivative financial liabilities***

   Firstly, Company recognizes the debt instruments issued on the date they are originated. All other financial liabilities are recognized firstly on the negotiation date when Company becomes a party in the contractual provisions of the instrument. Company writes off the financial liability when the contractual obligations are withdrew, canceled or overdue.

   Such financial liabilities are recognized first by fair value deducted by any cost of the related transactions. After the initial recognition, such financial liabilities are measured by the amortized cost using the actual interest method, as applicable, in order to reflect the costs incurred up to the balance sheet date.

   The Non-derivative financial liabilities of the Company refer basically to imports payable to holding added by exchange rate variation incurred up to the balance sheet date, suppliers and other accounts payable showed by known values or to be determined, updated by monetary adjustment index and interest, as applicable, to reflect the costs incurred up to the balance sheet date.

   b. **Fixed Assets**

   Acknowledgement and measurement: Fixed assets are measured by acquisition historic cost, deducting the accrued depreciation/ amortizations and losses from the reduction to recoverable amount (impairment) as required. The fixed assets costs include the expenses directly attributable to the assets acquisition. Other expenses are capitalized only when there is an increase in the economic benefits of the fixed assets item. Any other expense, when incurred, is recognized in results as expense. Gains and losses in the fixed assets disposal determined by comparing the resources from disposal and fixed assets accounting value are recognized as net in other incomes in the results.

   Depreciation: The depreciation/amortization is computed by the straight-line method, at rates deemed compatible with the useful life.

   c. **Reduction on the assets recoverable amount**

   Non-derivative Financial Assets (including receivables)

   The financial assets are evaluated at each submission date if it is not measured by fair value in order to determine any objective evidence of loss in the recoverable value. The assets has the loss in recoverable value if there is objective evidence of loss resulting from one or more events taking place after the assets initial recognition, and such loss event had a negative effect on the future cash flows forecast which should be estimated reliably.

   The objective evidence of the financial assets lost value should include the debtor default or delay in payment, the renegotiation of the amount payable to the Company under conditions that The Company should not accept on other transactions, indications the debtor or issuer should be bankrupted or the end of the active market for the securities.

   d. **Provisions**

   A provision is recognized in respect to the past event, if the Company legal or constructive obligation could be estimated reliably and is likely to be an economic resource required to settle the obligation. The provisions are determined by means of deduction to cash flow expected at a rate before taxes reflecting the evaluations by current market regarding the value of money in time and the specific risks to the liability.

   Company supported by legal opinion by its legal advisors and Management represents to have no knowledge of tax, civil and labor proceedings affecting materially its business, in addition to those already reflected in the financial statements on March 31st, 2015.

   e. **Operating Income**

   The operating income from sale in the regular course of the activities is measured by the fair value of the consideration received or to be received, net of returns, commercial discounts and bonuses. The operating income is recognized according to the service invoice is issuance, based on the technical working hours approved by customers.

   f. **Operational costs**

   The cost of services in the markets in which the Company operates is mainly represented by the cost of productive hours worked at the rate paid to the technicians, billable and non-billable to customers, the cost of hours spent in any rework (guarantees).

   g. **Financial income and financial expenses**

   The financial income comprises interest income on investments, discounts obtained and yields from instruments classified as cash equivalents. The interest income is recognized in the results, by means of the effective interest method.

   The financial expenses comprise interest expense on contractual expenses, bank charges, losses in fair value of financial assets measured at fair value by means of results and contingent consideration, etc.

   h. **Income Tax And Social Contribution**

   The income tax and social contribution of the current year are calculated based on 15% rate added from 10% additional on taxable profit exceeding R$ 240,000 for income tax and 9% on the taxable profit for social contribution on net profit, which take into account the tax loss offset and the loss of Social Contribution limited to 30% the taxable profit.

   The income tax and social contributions expenses comprise the current taxes.

   The tax charges and contributions calculated and collected by the Company, as well as their income statements and fiscal and accounting records are subject to review by the tax authorities in variable prescription deadlines.

   Current tax

   Current tax is the tax payable and receivable estimated on taxable profit or losses of the year, based on the tax rates published or materially published on the date the financial statements are prepared and any adjustments on taxes payable in respect to the previous years.

4. Cash and Cash Equivalents

	2015	2014
Cash and Cash Equivalents	721,211	991,774
Investments	643,235	-
	1,364,446	**991,774**

5. Accounts Receivable

	2015	2014
Domestic sales	1,092,647	405,278
Foreign Sales – related parties	1,803,027	648,455
Foreign Sales – non related parties	1,526,637	2,333,165
Reimbursable expenses	192,457	137,492
	4,614,768	**3,524,390**

6. Transactions with Related Parties

The transactions with related parties consist basically of information technologies services to enterprises abroad as showed below:

	2015	2014
Current Assets – Accounts receivable:		
KPIT US Cummins	227,998	456,039
Systime US	350,251	192,416
KPIT Sweden	56,998	-
KPIT Technologies US (Praxair)	25,780	-
KPIT Índia (Sparta Formerly)	1,142,000	-
	1,803,027	**648,455**

The transactions performed during the year were the following:

	2015	2014
Vendas de serviços:		
KPIT Technologies US Cummins	2,465,023	2,716,837
KPIT Technologies US (Sparta Formerly)	550,415	-
KPIT Technologies Sweden	294,093	-
KPIT Technologies US (Praxair)	23,898	-
KPIT Technologies India	360,874	-
Systime US	438,746	408,426
	4,133,049	**3,125,263**

7. Capital Stock

The capital, totally paid up, is of R$ 1,122,145, divided in 1,122,145 quotas at the nominal amount of R$ 1.00 each, distributed to quota holders in the following proportion:

	Number of
Shareholder	**Sharequotas**
KPIT Cummins Infosystems Limited	1,000
KPIT Infosystems Incorporated	1,121,145
	1,122,145

SYSTIME Global Solutions Ltda.

Registered Office: Rua James Watt, n.º 84 - 8º andar – Jardim Edith, CEP 04576-060 - São Paulo/SP - Brasil.

Review Report of Financial Statements

To
The Management of
Systime Global Solutions Ltda.
São Paulo - SP

We reviewed the financial statements of Systime Global Solutions Ltda. comprising the balance sheet on March 31st, 2015 and respective income statements, changes in shareholders' equity, cash flow for the year ended in such date, as well as the summary of the main accounting practices and other explanatory notes.

Responsibility of Administration on Financial Statements

Company's management board is liable for preparing and submitting the separate financial statements according to the accounting practices adopted in Brazil, and the internal control determined as necessary to allow preparing such financial statements free from relevant distortion irrespective when caused by fraud or error.

Responsibility of Independent Auditors

Our liability is to express an opinion on such financial statements based on our review. We conducted our revision according to the Brazilian and international audit standards. A review of financial statements consists of making inquiries, mainly to responsible people for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than an audit scope conducted in accordance with auditing standards and consequently does not enable the reaching of the same security level for all significant matters that would be identified in an audit.

Unqualified opinion

Based on our review, we are not aware of any fact that let us to believe that the financial statements do not present accordingly, in all material matters, the financial position of Systime Global Solutions Ltda., on March 31, 2015, the results of its operations and its cash flows for the year ended in such date in accordance with accounting practices adopted in Brazil.

São Paulo, April 20, 2015
Actual Perícias Ltda.
CRC-SP - 2SP023780/O-1

Luiz Alexandre Tumolo
Accountant CRC - 1SP175079/O-5

Balance Sheets

As of March 31, 2015 and 2014

(In Brazilian reais without cents)

Assets	2015	2014	Liabilities	2015	2014
Current assets:			**Current liabilities:**		
Cash and cash equivalents	91,737	772,974	Taxes and contributions payable	60	-
Accounts receivable	34,833	326,481	Accounts payable	15,051	-
Recoverable taxes	210,222	196,194	Other accruals	12,000	-
	336,792	1,295,649		27,111	-
Non-Current assets:					
Long Term Debt:			**Shareholders' equity:**		
Intercompany loan agreement	800,000	800,000	Capital stock	1,000	1,000
Property, plant and equipment	-	39,899	Accumulated profits	1,108,681	2,134,548
	800,000	839,899		1,109,681	2,135,548
	1,136,792	2,135,548		1,136,792	2,135,548

The accompanying notes are an integral part of these financial statements.

Josney Ferraz
CPF: 031.862.398-69
Administrator

Milton Silverio
CPF: 1SP152835/O-3

Income Statements

For the Years Ended March 31, 2015 and 2014

(In Brazilian reais without cents, except loss per sharequota)

	2015	2014
Gross revenue:		
Service revenue - domestic market	-	2,992,753
Service revenue - foreign market	-	1,703,306
	-	**4,696,059**
Dedutions:		
Sales canceled	-	(30,397)
Sales Taxes	-	(204,801)
	-	(235,198)
Operating net revenue	-	4,460,861
Cost of services rendered	-	(3,112,447)
Gross profit	-	1,348,414
Operational expenses:		
Selling expenses	-	(194,034)
Administrative and general expenses	(205,154)	(1,248,046)
Tax expenses	(381)	(46,395)
Finance revenues (expenses), net	36,233	55,408
Other revenues	3,435	-
	(165,867)	(1,433,067)
Losses for the year	(165,867)	(84,653)

The accompanying notes are an integral part of these financial statements.

Josney Ferraz
CPF: 031.862.398-69
Administrator

Milton Silverio
CPF: 1SP152835/O-3

Statements of Changes in Shareholders' Equity

For the Years Ended March 31, 2015 and 2014

(In Brazilian reais without cents)

	Capital Stock	Accumulated profits	Total
Balances at April 1st, 2013	1,000	2,219,201	2,220,201
Losses for the year	-	(84,653)	(84,653)
Balances at March 31, 2014	1,000	2,134,548	2,135,548
Profit distribution	-	(860,000)	(860,000)
Losses for the year	-	(165,867)	(165,867)
Balances at March 31, 2015	1,000	1,108,681	1,109,681

The accompanying notes are an integral part of these financial statements.

Josney Ferraz
CPF: 031.862.398-69
Administrator

Milton Silverio
CPF: 1SP152835/O-3

Cash Flow Statements

For the Years Ended March 31 2015, and 2014

(In Brazilian reais without cents)

	2015	2014
CASH FLOW OF OPERATIONAL ACTIVITIES		
Losses for the year	(165,867)	(84,653)
Adjustments to reconcile the fiscal year net profit with Cash generated by operational activities:		
Depreciation and amortization	6,918	1,327
Property, plant and equipment write-off (increase)	32,981	(8,588)
Decrease (Increase) in the operational assets:		
Accounts receivable from clients	291,648	988,762
Recoverable taxes	(14,028)	70,119
Increase (decrease) in the operational liabilities:		
Taxes and contributions payable	60	(78,711)
Accounts payable	15,051	(21,170)
Other accruals	12,000	(664,831)
Cash generated by operational activities	**178,763**	**202,255**
CASH FLOW OF FINANCING ACTIVITIES		
Intercompany loan agreement	-	(860,000)
Profit distribution	(860,000)	-
Cash invested in financing activities	(860,000)	(800,000)
INCREASE (DECREASE) OF AVAILABLE FUNDS BALANCE	**(681,237)**	**(597,745)**
CASH AND CASH EQUIVALENTS		
Opening Balance	772,974	1,370,719
Ending Balance	91,737	772,974
INCREASE (DECREASE) OF AVAILABLE FUNDS BALANCE	**(681,237)**	**(597,745)**

The accompanying notes are an integral part of these financial statements.

Josney Ferraz
CPF: 031.862.398-69
Administrator

Milton Silverio
CPF: 1SP152835/O-3

Notes to the Financial Statements

Years Ended March 31, 2015 and 2014

(In Brazilian reais without cents)

1. **Operational context**

The Company's activities include basically: (i) the computer customized programs development, including the systems development to attend the customers' needs and the programming using tools, languages and technical documentation of computer programs, developed upon customization; (ii) the consulting services in the information technology area; (iii) the development and license of customized and non-customized computer programs; (iv) participation in other companies.

Currently, the Board of the Company is developing researches aiming to discontinue the Company's operations thru the transfer of its activities to another company group which operates in the same economic segment. Considering the accounting presupposed of operation continuity, the Company's financial statements do not reflect any potential adjustments resulting from the closure of its business.

2. **Presentation of the Financial Statements**

a. **Statement of compliance with IFRS and BRGAAP standards**

Financial Statements have been prepared according to the accounting practices adopted in Brazil which encompasses the Business Corporations Laws, and Pronouncing, Guidance And Interpretation issued by Accounting Pronouncing Committee -CPC.

The showed amounts take into account the adoption of the Tax Transitional System - RTT as provided for in law nº 11.941 /09, which purpose is to maintain the tax neutrality of changes in Brazilian corporate law, introduced by laws 11.638 /07 and 11.941 /09 and by other changes in accounting standards arising from the IFRS.

On November 12th, 2013 the Provisional Measure – MP nº 627 was published and converted in Law nº 12.973 in May 13, 2014 which among other provisions, revokes the Tax Transitional Regime - RTT. The provisions of such Provisional Measure shall apply as from the year 2015 or as from the year 2014 for the taxpayers who perform the anticipated adoption. The Administration of Company is evaluating the impacts thereon and which is the period more convenient for the adoption. On March 31st, 2015, the company considers there will be no effects to be taken into account in the Financial Statements.

On April 20th, 2015, The Administration of Company authorized the conclusion of such financial statements.

b. **Measurement base**

The financial statements have been prepared based on the historic cost except the following material items recognized in the balance sheet:

- Non-derivative financial Instruments designated at fair value by means of the results are measured at fair value.
- The financial assets available for sale are measured by the fair value.

c. **Functional Currency and presentation currency**

The items included in the financial statements have been measured by adopting the currency of the economic environment in which the Company operates (functional currency). The financial statements are showed in Brazilian Reais, which is the Company's functional currency.

d. **Estimates use and judgment**

The preparation of the financial statements according to the accounting practices adopted in Brazil requires the use of the judgments, estimates, and suppositions by The Administration of Company affecting the accounting policies use and reported values of the assets, liabilities, incomes and expenses. The actual results might differ from the estimates.

The estimates and assumptions are reviewed annually by The Administration of Company. The changes are recognized in the financial year in which such estimates are reviewed and in future years affected.

3. **Main Accounting Practices**

a. **Financial instruments**

The Company's non-derivative financial assets and liability are classified under the following categories:

i. ***Non-Derivative financial assets***

Company recognizes the loans and receivables and deposits firstly on the origin date. All other financial assets (including assets designated by fair value through the results) are recognized firstly on the negotiation date when the Company becomes a party in the contractual provisions of the instrument.

The Company classifies the non-derivative financial assets in the following categories: financial assets measured at fair value through the income and receivables.

ii. ***Receivables***

Receivables are financial assets with fixed or determined payments, which are not offered in the active market. Such assets are recognized firstly at the fair value added from any attributed cost of the transactions. After the initial recognition, the loans and receivables are measured by the amortized cost using the actual interest method, reduced from the loss due to the reduction on the recoverable amount.

Receivables encompass the cash and cash equivalent, accounts receivables from customers and other receivables.

iii. ***Cash and cash equivalents***

Include cash, bank sight deposits and temporary short term investments up to 90 days from the date of investment or deemed of immediate liquidity or convertible into known amount of cash, which are subject to an insignificant risk of change in value and are recorded by the cost values added by the income earned up to the balance sheets dates and do not exceed its market or performance value.

iv. ***Non-derivative financial liabilities***

Firstly, Company recognizes the debt instruments issued on the date they are originated. All other financial liabilities are recognized firstly on the negotiation date when Company becomes a party in the contractual provisions of the instrument. Company writes off the financial liability when the contractual obligations are withdrew, canceled or overdue.

Such financial liabilities are recognized first by fair value deducted by any cost of the related transactions. After the initial recognition, such financial liabilities are measured by the amortized cost using the actual interest method, as applicable, in order to reflect the costs incurred up to the balance sheet date.

The Non-derivative financial liabilities of the Company refer basically to imports payable to holding added by exchange rate variation incurred up to the balance sheet date, suppliers and other accounts payable showed by known values or to be determined, updated by monetary adjustment index and interest, as applicable, to reflect the costs incurred up to the balance sheet date.

b. Fixed Assets

Acknowledgement and measurement: Fixed assets are measured by acquisition historic cost, deducting the accrued depreciation/ amortizations and losses from the reduction to recoverable amount (impairment) as required. The fixed assets costs include the expenses directly attributable to the assets acquisition. Other expenses are capitalized only when there is an increase in the economic benefits of the fixed assets item. Any other expense, when incurred, is recognized in results as expense. Gains and losses in the fixed assets disposal determined by comparing the resources from disposal and fixed assets accounting value are recognized as net in other incomes in the results.

Depreciation: The depreciation/amortization is computed by the straight-line method, at rates deemed compatible with the useful life.

c. **Reduction on the assets recoverable amount**

Non-derivative Financial Assets (including receivables)

The financial assets are evaluated at each submission date if it is not measured by fair value in order to determine any objective evidence of loss in the recoverable value. The assets has the loss in recoverable value if there is objective evidence of loss resulting from one or more events taking place after the assets initial recognition, and such loss event had a negative effect on the future cash flows forecast which should be estimated reliably.

The objective evidence of the financial assets lost value should include the debtor default or delay in payment, the renegotiation of the amount payable to the Company under conditions that The Company should not accept on other transactions, indications the debtor or issuer should be bankrupted or the end of the active market for the securities.

d. Provisions

A provision is recognized in respect to the past event, if the Company legal or constructive obligation could be estimated reliably and is likely to be an economic resource required to settle the obligation. The provisions are determined by means of deduction to cash flow expected at a rate before taxes reflecting the evaluations by current market regarding the value of money in time and the specific risks to the liability.

Company supported by legal opinion by its legal advisors and Management represents to have no knowledge of tax, civil and labor proceedings affecting materially its business, in addition to those already reflected in the financial statements on March 31st, 2015.

e. Financial income and financial expenses.

The financial income comprises interest income on investments, discounts obtained and yields from instruments classified as cash equivalents. The interest income is recognized in the results, by means of the effective interest method.

The financial expenses comprise interest expense on contractual expenses, bank charges, losses in fair value of financial assets measured at fair value by means of results and contingent consideration, etc.

4. Capital Stock

The capital, totally paid up, is of R$ 1,000, divided in 1,000 quotas at the nominal amount of R$ 1.00 each, distributed to quota holders in the following proportion:

Shareholder	Number of Sharequotas
Systime Computer Corporation	999
Systime Global Solutions, Inc	1
	1,000

KPIT (Shanghai) Software Technology Co., Ltd.

Registered Office: 17A, Zhao Feng World Trade Building, No. 369, Jiangsu Road, Shanghai 200050, PRC.

Board's Report

Dear Shareholders,

Your Board of Directors is pleased to present the Fourth report on the operations of the Company together with the audited accounts for the financial year ended on March 31, 2015.

Financial Results

Particulars	2014-15 RMB	2013-14 RMB
Total Revenues	13,697,792	4,443,168
Net Profit /(Loss) for the year	(377,618)	(5,472,537)

Operations

During the year under review, revenues of the Company increased remarkably by more than 200% over the previous year resulting in significant reduction of losses.

Share Capital

During the year, the share capital of the Company increased to RMB 11, 014,863.60.

Audit

The Company is not required by the local laws to have an independent audit firm to issue a report to the shareholders. However, the Indian Companies Act, 2013 and the rules framed thereunder mandate audit of the books of accounts of the Company. Therefore, the Company appointed ShineWing CPAs as auditors to conduct the audit and the audit report issued by the auditors is attached with the accounts of the Company.

For and on behalf of the Board of Directors
KPIT (Shanghai) Software Technology Co., Ltd.

Kishor Patil
Chairman

Pune
April 24, 2015

Auditors' Report

The Board of Directors of KPIT (Shanghai) Software Technology Co., Ltd.:

We have audited the accompanying financial statements of KPIT (Shanghai) Software Technology Co., Ltd. ("KPIT Shanghai"), which comprises the balance sheet as at March 31st, 2015, the income statement, the statement of changes in equity, the cash flow statement, and the notes to the financial statements for the year ended March 31st, 2015.

1. Management's Responsibility for the Financial Statements

   The management of KPIT Shanghai is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing financial statements in accordance with the Accounting Standards for Business Enterprises to achieve fair presentation of the financial statements; (2) designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

2. **Auditors' Responsibility**

   Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Audit Standards of China's Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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.

3. **Opinion**

   In our opinion, the financial statements comply with the requirements of the Accounting Standards for Business Enterprises and present fairly, in all material respects, the financial position of KPIT Shanghai as at March 31st, 2015, and the results of operations and cash flows of KPIT Shanghai for the year then ended.

ShineWing CPAs

Shanghai, the People's Republic of China

April 24th, 2015

Balance sheet

As at March 31st, 2015

Prepared by : KPIT (SHANGHAI) SOFTWARE TECHNOLOGY CO., LTD.

Item	March 31st, 2015	March 31st, 2014
Current Assets:	—	—
Cash and bank balance	1,375,998.11	1,519,070.01
Accounts receivable	9,653,695.57	1,699,184.96
Prepayments	147,836.44	38,269.59
Other receivable	141,606.62	109,731.13
Total Current Assets	11,319,136.74	3,366,255.69
Non-current Assets:		
Fixed assets - cost	185,159.09	185,159.09
Less: Accumulated depreciation	127,519.71	81,230.19
Fixed assets - net value	57,639.38	103,928.90
Less: Provision for impairment of fixed assets		
Fixed assets - net book value	57,639.38	103,928.90
Total Non - current Assets	57,639.38	103,928.90
Total Assets	**11,376,776.12**	**3,470,184.59**
Current Liabilities:	—	—
Accounts payable	1,574,234.05	143,477.63
Advance from customers	109,638.27	
Financial assets sold under repurchase		
Fee and commission payable		
Accrued payroll and welfare	553,696.40	437,610.10
Including: Accrued payroll	553,696.40	437,610.10
Accrued welfare		
Including: employee award and welfare fund		
Tax payable	303,252.42	43,441.66
Including: Tax payable	303,252.42	43,441.66
Interest payable		
Dividends payable		
Other payable	1,059,719.59	457,857.60
Other current liabilities	2,963,446.84	0.00
Total Current Liabilities	6,563,987.57	1,082,386.99
Non-current Liabilities		
Total Non-current Liabilities		
Total Liabilities	6,563,987.57	1,082,386.99
Owners Equity(or shareholders equity):		
Paid-in capital (or share)	11,014,863.60	8,222,487.15
Foreign businessmen's capital	11,014,863.60	8,222,487.15
Less: treasury share		
Net paid-in capital (or share)	11,014,863.60	8,222,487.15
Capital surplus	21,916.98	11,684.97
Less: reasury share		
General risk reserve		
Undistributed profits	-6,223,992.03	-5,846,374.52
Converted difference in Foreign Currency Statements		
Total Equity attributable to the Parent Company	4,812,788.55	2,387,797.60
Minority shareholders equity		
Total Owner's Equity	4,812,788.55	2,387,797.60
Total Liabilities & Owners' Equity	**11,376,776.12**	**3,470,184.59**

Note: The accompanying notes to accounting statement as an integral part of financial statements

Income Statement

For the Year Ended March 31st, 2015

Prepared by: KPIT (SHANGHAI) SOFTWARE TECHNOLOGY CO., LTD.

Items	Year ended March 31st, 2015	Year ended March 31st, 2014
1. Gross Operating Income	13,697,791.67	4,443,167.90
Operating income	13,697,791.67	4,443,167.90
2. Gross Operating cost	14,417,371.21	9,916,603.92
Operating cost	1,676,432.51	860,249.33
Business tax and surcharge	96,056.60	24,062.20
Selling and distribution expenses		
General and administrative expenses	12,598,609.99	8,780,887.23
Including: research and development expense		
Finance expenses	46,272.11	251,405.16
Including: Interest expenses		
Interest income	4,104.21	4,186.25
Net foreign exchange loss("-" means "gain")	41,049.00	249,932.32
Net foreign exchange gain ("-" means "loss")		
3. Operating profit ("-" means "Loss")	-719,579.54	-5,473,436.02
Add: Non-operating income	341,962.03	1,269.51
Less: Non-operating expenses		370.44
4. Total profit ("-" means "Loss")	-377,617.51	-5,472,536.95
Less: income tax		
5. Net Profit ("-" means "Loss")	-377,617.51	-5,472,536.95
Net profit attributable to the Parent Company	-377,617.51	-5,472,536.95
6. Total comprehensive income	-377,617.51	-5,472,536.95
Total comprehensive income attributable to the Parent Company	-377,617.51	-5,472,536.95
Total comprehensive income attributable to the minority shareholder		

Note:The accompanying notes to accounting statement as an integral part of financial statements

Statement of Changes in Owners' Equity

For the Year Ended March 31st, 2015

Currency:RMB

Item	As at March 31st, 2015										
	Owner's Equity Attributable to the Parent Company									Minority share-holders' equity	Total Owner's Equity
	Paid-in Capital (or Stock)	Capital Surplus	Less: Treasury Share	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Other	Subtotal		
Column No.	1	2	3	4	5	6	7	8	9	10	11
1. Ending balance of last year	8,222,487.15	11,684.97					-5,846,374.52		2,387,797.60		2,387,797.60
Add: Changes in Accounting Policies									-		-
Correction of error from previous period									-		-
2. Opening balance of this year	8,222,487.15	11,684.97					-5,846,374.52		2,387,797.60		2,387,797.60
3. Increase or decrease of Current Period(for decrease filled in "-")	2,792,376.45	10,232.01					-377,617.51		2,424,990.95		2,424,990.95
(1) Net Profit							-377,617.51		-377,617.51		-377,617.51
(2) Other comprehensive income									-		-
Subtotal of comprehensive income							-377,617.51		-377,617.51		-377,617.51
(3) Capital invested or reduced by the owners	2,792,376.45	10,232.01							2,802,608.46		2,802,608.46
1. Capital invested by the owner	2,792,376.45	10,232.01							2,802,608.46		2,802,608.46
2. Payment for shares attributed into owner's equity											
3. Others											
4. Closing balance of this year	11,014,863.60	21,916.98					-6,223,992.03		4,812,788.55		4,812,788.55

Note: The accompanying notes to accounting statement as an integral part of financial statements

Statement of Changes in Owners' Equity (continued)

For the Year Ended March 31st, 2015

Currency:RMB

Item	As at March 31st, 2014										
	Owner's Equity Attributable to the Parent Company									Minority share-holders' equity	Total Owner's Equity
	Paid-in Capital (or Stock)	Capital Surplus	Less: Treasury Share	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Other	Subtotal		
Column No.	1	2	3	4	5	6	7	8	9	10	11
1. Ending balance of last year	5,080,000.00	11,684.97					-373,837.57		4,717,847.40		4,717,847.40
Add: Changes in Accounting Policies									-		-
Correction of error from previous period									-		-
2. Opening balance of this year	5,080,000.00	11,684.97					-373,837.57		4,717,847.40		4,717,847.40
3. Increase or decrease of Current Period(for decrease filled in "-")	3,142,487.15	-					-5,472,536.95		-2,330,049.80		-2,330,049.80
(1) Net Profit							-5,472,536.95		-5,472,536.95		-5,472,536.95
(2) Other comprehensive income									-		-
Subtotal of comprehensive income							-5,472,536.95		-5,472,536.95		-5,472,536.95
(3) Capital invested or reduced by the owners	3,142,487.15	-							3,142,487.15		3,142,487.15
1. Capital invested by the owner	3,142,487.15								3,142,487.15		3,142,487.15
2. Payment for shares attributed into owner's equity											
3. Others											
4. Surplus reserves covering losses											
5. Others											
4. Closing balance of this year	8,222,487.15	11,684.97					-5,846,374.52		2,387,797.60		2,387,797.60

Note:The accompanying notes to accounting statement as an integral part of financial statements

Cash Flow Statement

For the Year Ended March 31st, 2015

Currency:RMB

Items	Year ended March 31st, 2015	Year ended March 31st, 2014
1. Cash Flows from Operating Activities:	—	—
Cash received from sales of goods or rendering of services	9,726,751.69	7,537,463.22
Refunds of taxes and levies	341,962.03	1,269.51
Cash received relating to other operating activities	4,104.21	4,186.25
Sub-total of cash inflows	10,072,817.93	7,542,918.98
Cash paid for goods and services	4,899,047.20	2,447,794.73
Cash paid to and on behalf of employees	6,663,145.56	5,064,244.08
Payments of taxes and levies	542,605.06	253,713.43
Cash paid relating to other operating activities	872,651.47	1,880,297.82
Sub-total of cash outflows	12,977,449.29	9,646,050.06
Net Cash Flow from Operating Activities	-2,904,631.36	-2,103,131.08
2. Cash Flow from Investing Activities:		
Cash received from disposal of investments		
Cash received from returns on investments		
Sub-total of cash inflows		
Sub-total of cash outflows	-	7,483.76
Net Cash Flow from Investing Activities	-	-7,483.76
3. Cash Flow from Financing Activities		
Cash received from capital contributions	2,802,608.46	
Sub-total of cash inflows	2,802,608.46	-
Net Cash Flow from Financing Activities	2,802,608.46	-
4. Effect of Foreign exchange rate changes on cash and cash equivalents	-41,049.00	-249,932.32
5. Net Increase in Cash and Cash Equivalents	-143,071.90	-2,360,547.16
Add: opening balance of cash and cash equivalents	1,519,070.01	3,879,617.17
6. Ending balance of cash and cash equivalents	1,375,998.11	1,519,070.01

Note:The accompanying notes to accounting statement as an integral part of financial statements

For and on behalf of the Board of Directors of
KPIT (Shanghai) Software Technology Co., Ltd.

Kishor Patil
Director

Anil Patwardhan
Director

April 24, 2015

Notes to the financial statements

for the period from April 1st, 2014 to March 31st, 2015

(All amounts are stated in RMB Yuan unless otherwise stated)

1. **COMPANY BACKGROUND AND PRINCIPAL ACTIVITIES**

KPIT (Shanghai) Software Technology Co., Ltd. (the "Company") is a wholly foreign owned enterprise incorporated in Shanghai, People's Republic of China ("PRC) on January 5th, 2011 by KPIT Cummins Infosystems Limited. The Company has a certificate of approval for establishment of enterprises with foreign investment in the People's Republic of China, approval number [2011]0035, issued by the Shanghai Municipal People's Government, and a business licence, license number 310115400266251 (Pudong), approved by Shanghai Administration Bureau for Industry and Commerce, Pudong New District Sub-Bureau on January 12th, 2011. The legal representative of the Company is Kishor Patil.

On December 1st, 2012, the Company approved a resolution of the board of directors on increasing the registered capital by an amount of RMB 4,400,000.00; the investors of the Company are required to pay a minimum of 20% of the increased amount before the new business licence can be issued. The remainining balance shall be paid within 2 years upon the issuance of the new business licence. The Company's registered capital has increased from RMB 5,080,000.00 to RMB 9,480,000.00. As at January 29th, 2013, the Company has received a capital injection of RMB 3,142,487.15 from KPIT Cummins Infosystems Limited.

On January 15th, 2013, the Company approved a resolution of the board of directors on the change of the Company's legal address from Room G10, 3rd Floor, No. 2123 of Pudong Avenue, Pu Dong District, Shanghai, PRC to Room A, 17th Floor, No. 369 of Jiang Su Road, Chang Ning District, Shanghai, PRC.

On July 25th, 2013, the Company approved a resolution of the board of directors on the name change of the investor from KPIT Cummins Infosystems Limited to KPIT Technologies Limited.

On December 10th, 2013, the Company obtained a new business licence with the license number 310115400266251 (Chang Ning), approved by Shanghai Administration Bureau for Industry and Commerce.

On December 26th, 2013, the Company approved a resolution of the board of directors on increasing the registered capital from RMB 9,480,000.00 to RMB 21,786,400.00, and the Company obtained the updated business license on December 19th 2014. On July 22nd, 2014 and November 19th, 2014, the Company has received capital injections of RMB 1,257,512.85 and RMB 1,534,863.60 respectively from the investor KPIT Technologies Limited. As at December 31st, 2014, the paid-in capital of the Company was RMB 11,014,863.60.

The Company's approved business scope includes: research & development, design, and production of computer software, and sale of self-produced products; development of network technique and technical support; design, testing, and maintaining of system integration; providing relevant technical consulting and service. (Relating to administrative license, it shall be based on the operating permit.) The Company's operating period is 30 years.

2. **BASIS OF PREPARATION**

The Company's financial statements are based on going concern and actual basis, and are prepared in accordance with the PRC Accounting Standards for Business Enterprises promulgated in accordance with the Ministry of Finance and the relevant provisions, and are prepared as described in this note 4: the significant accounting policies and accounting estimates.

3. **ANNOUNCEMENT**

The Company's financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and were presented truly and integrally, in all material respects, the financial position of the Company as at March 31st, 2015, and the results of operations and cash flows of the Company for the year ended 2015.

4. **SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**

1. Accounting period

The Company adopts the calendar year as its accounting year.

2. Recording currency

The recording currency of the Company is in Renminbi (RMB).

3. Basis of accounting and measurement bases

The Company applies the accrual basis of accounting, and uses the historical cost as the principle of measurement unless otherwise specified.

4. Cash and cash equivalents

For the purposes of preparing the cash flow statement, cash refers to all cash in hands and call deposits. Cash equivalents refer to short-term and highly-liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5. Foreign Currency Transactions and Conversion Method

The Company's foreign currency transactions are recorded in RMB, based on the spot exchange rate of that day. All foreign currency monetary items shall be translated to RMB at the spot exchange rate at the balance sheet date. Aside from the translation differences arising from specific foreign currency loans to meet the conditions of capitalization that are procurement-related or production-related, all translation differences shall be recorded in current profit and loss.

6. Provision for bad debts of receivable

Provision for bad debt of receivable that may occur are accounted for based on the allowance method, of which the aging analysis and specific identification methods are utilized to calculate the bad debt provision, which will be included in the profit and loss statement. For recievables that are evidently uncollectible, in accordance with the Company's guideline procedures, shall be treated as bad debts, and provision shall be written off and treated as losses.

7. **Fixed assets**

The Company's fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, which have useful lives of more than one year and have relatively high unit price.

The Company's fixed assets include electronic and office equipments, and are recorded at actual cost upon acquisition.

Fixed assets are stated in the balance sheet at acquisition cost less accumulated depreciation and impairment. Impairment is calculated based on the difference between the expected recoverable amount and the book value, only if the recoverable amount is lower than the book value.

Fixed assets are depreciated using the straight-line method over their estimated useful lives. The estimated useful life and the estimated residual value of fixed assets are as follows:

	Item	Estimated useful life	Estimated residual value	Annual depreciation rate
1	Electronic & Office equipment	4 years	0%	25%

At the end of each year, the estimated useful life, estimated residual value, and depreciation method of fixed assets are reviewed. If there are any changes to the above, it shall be treated changes of accounting estimates.

When fixed assets are disposed, or if they are no longer of any future economic benefits, they shall no longer be recognized as fixed assets. The amount received from fixed assets being sold, transferred, scrapped or destroyed, minus the book value, minus related tax, shall be recorded in profit and loss.

8. Payroll and welfare

During the extent of employment, the employee payroll and welfare should be recorded as liability and debited to related costs or expenses in accordance with the beneficiaries of services provided. The severance package for the dissolution of labor relationships should be recognized in current profit and loss.

Payroll and welfare includes wages, bonuses, allowances and subsidies, employee benefits, social insurance and housing funds, union funds and workers education funding and other expenditures related to the services rendered by employees.

Termination benefits are employee benefits payable as a result of either: an entity's decision to terminate an employee's employment before the normal retirement date; or an employee's decision to accept voluntary redundancy in exchange for those benefits. The event which gives rise to an obligation is the termination rather than employee service. Therefore, an entity should recognise termination benefits when, and only when, the entity is demonstrably committed to either:

- Terminate the employment of an employee or group of employees before the normal retirement date; or

- Provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

9. Revenue recognition

The Company's operating income is mainly service income. The revenue recognition principle is as follows:

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be reognised only to the extent of the expenses recognized that are recoverable.

10. Leases

Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Lease income from operating leases shall be recognized in income on a straight-line basis over the lease term, unless another systematic bsis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

11. Related party

If the Company has direct or indirect control of another entity, or has significant influence over another entity; or another entity has direct or indirect control of the Company, or has significant influence over the Company; or the Company and another entity or entities are all controlled by the same party, then the Company and the other entities are all considered as related parties. A related party can be a person or an entity.

12. Income taxes

The accounting treatment on income tax utilizes the balance sheet liability method.

The income tax comprises current tax expense (current tax income) and deferred tax expense (deferred tax income). Apart from the transactions and related matters of current tax and deferred tax that recognized directly in equity, the rest of current tax expense (current tax income) and deferred tax expense (deferred tax income) should be recorded in current profit and loss.

Current tax is the a amount of the income taxes payable (recoverable), in accordance with the taxation requirement, in respect of the taxable profit (tax loss) for a period; deferred tax assets are the amounts of income taxes payable (recoverable) in future period in respect of taxable termpporary differences.

5. TAXATION

The tax categories and applicable tax rates to the Company are as follows:

1. Enterprise income tax

The Company's applicable enterprise income tax rate is 25%.

2. Value added tax

The Company's products sales income and services rendered income are subjected to the value added tax (VAT). The applicable tax rates for domestic sales and rendering of services are 17% and 6% respectively. Input VAT on purchases of raw materials can be deducted from output VAT. VAT payable is the net difference between output and deductible input VAT.

3. Surcharges

The surcharges are inclusive of city construction tax, education surcharge, local education surcharge and river management fee, which the taxes are levied at 7%, 3%, 2% and 1%, respectively, of the business tax.

6. SIGNIFCANT ITEMS IN FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2015

1. Cash and Cash at banks

Item	March 31st, 2015			March 31st, 2014		
	Original currency	Exchange rate	Amount (RMB)	Original currency	Exchange rate	Amount (RMB)
Bank						
RMB	650,505.98	1.0000	650,505.98	553,046.17	1.0000	553,046.17
USD	117,790.39	6.1592	725,492.13	157,023.43	6.1521	966,023.84
Total			1,375,998.11			1,519,070.01

2. Accounts receivable

(1) Aging analysis

Item	March 31st, 2015			March 31st, 2014		
	Amount	%	Bad debt	Amount	%	Bad debt
Within 1 year	9,653,695.57	100.00	-	1,699,184.96	100.00	-
Total	9,653,695.57	100.00	-	1,699,184.96	100.00	-

(2) The policy of bad debt provision can be referred to this note 4.6.

(3) The balance of accounts receivable due from related parties as of March 31st, 2015 was RMB 2,475,621.05, which is 25.64% of the total ending balance.

(4) The balance of foreign currency

Currency	March 31st, 2015			March 31st, 2014		
	Original Amount	Exchange rate	Amount (RMB)	Original Amount	Exchange rate	Amount (RMB)
USD	732,297.55	6.1422	4,497,918.00	200,072.92	6.1521	1,230,868.64
Total	732,297.55	6.1422	4,497,918.00	200,072.92	6.1521	1,230,868.64

3. Prepayments

(1) Aging analysis

Item	March 31st, 2015		March 31st, 2014	
	Amount	%	Amount	%
Within 6 months	147,836.44	100.00	38,269.59	100.00
Total	147,836.44	100.00	38,269.59	100.00

(2) The balance of prepayments to related parties as of March 31st, 2015 was nil.

4. Other receivable

(1) Aging analysis

Item	March 31st, 2015			March 31st, 2014		
	Amount	%	Bad debt	Amount	%	Bad debt
Within 6 months	31,999.99	22.60	-	124.50	1.11	-
7 - 12 months	-	-	-	-	-	-
1 - 2 years	-	-	-	109,606.63	99.89	-
2 - 3 years	109,606.63	77.40	-	-	-	-
Total	141,606.62	100.00	-	109,731.13	100.00	-

(2) The balance as at March 31st, 2015 is mainly the deposit for office rental and staff cash advance.

5. Fixed Assets

Item	March 31st, 2014	Additions	Deductions	March 31st, 2015
Cost	185,159.09	-	-	185,159.09
Electronic & Office equipment	185,159.09	-	-	185,159.09
Accumulated depreciation	81,230.19	46,289.52	-	127,519.71
Electronic & Office equipment	81,230.19	46,289.52	-	127,519.71
Net book value	103,928.90	-	-	57,639.38
Electronic & Office equipment	103,928.90	-	-	57,639.38

6. Accounts payable

(1) Aging analysis

Item	March 31st, 2015	March 31st, 2014
Total	1,574,234.05	143,477.63
Including: Over 1 year	-	-

(2) The balance of related-party accounts payable was RMB 1,574,234.05, accounting for 100.00% of total balance.

7. Advance from customers

(1) Aging analysis

Item	March 31st, 2015	March 31st, 2014
Total	109,638.27	-
Including: Over 1 year	-	-

(2) The balance of advance from related parties as of March 31st, 2015 was nil.

8. Accrued Payroll

Item	March 31st, 2014	Additions	Deductions	March 31st, 2015
Payroll (including bonus, subsidy and allowance)	437,610.10	6,408,481.91	6,524,568.21	553,696.40
Total	437,610.10	6,408,481.91	6,524,568.21	553,696.40

9. Tax Payable

Item	March 31st, 2014	Additions	Deductions	March 31st, 2015
Value added tax	9,289.35	739,303.92	480,228.30	268,364.97
Individual income tax	32,944.70	1,141,821.38	1,108,876.68	-
City construction tax	650.25	35,668.98	53,804.28	18,785.55
Education surcharge	278.68	15,286.69	23,058.96	8,050.95
Local education surcharge	185.79	10,191.14	15,372.65	5,367.30
River management fee	92.89	5,095.56	7,686.32	2,683.65
Total	43,441.66	1,947,367.67	1,689,027.19	303,252.42

10. Other Payable

(1) Other payable

Item	March 31st, 2015	March 31st, 2014
Total	1,059,719.59	457,857.60
Including: over 1 year	450.00	450.00

(2) The balance of other payable due to related parties as at March 31st, 2015 was RMB 94,354.59, which is 8.90% of the total ending balance.

11. **Paid–in Capital**

(1) Paid–in capital

Investor	March 31st, 2014		Additions	Deductions	**March 31st, 2015**	
	Amount	%			**Amount**	**%**
KPIT Technologies Limited	8,222,487.15	100.00	2,792,376.45	-	11,014,863.60	100.00
Total	**8,222,487.15**	**100.00**	**2,792,376.45**	**-**	**11,014,863.60**	**100.00**

(2) Shanghai Dacheng Certified Public Accountants (Special General Partnership) verified the additional capital injection for the Company in 2014, and issued the capital verification reports respectively of Hudacheng Yan Zi (2014) No. 1045 on 8th August 2014 and Hudacheng Yan Zi (2014) No. 1086 on 26th November 2014.

12. **Capital Surplus**

Item	March 31st, 2014	Additions	Deductions	**March 31st, 2015**
Capital (Share) premium	11,684.97	10,232.01	-	21,916.98
Total	**11,684.97**	**10,232.01**	**-**	**21,916.98**

13. **Undistributed Profits**

Item	**March 31st, 2015**	March 31st, 2014
Opening balance	-5,846,374.52	-373,837.57
Additions: Net profit	-377,617.51	- 5,472,536.95
Deductions: Statutory surplus reserve	-	-
Closing balance	-6,223,992.03	-5,846,374.52
Including: cash dividend to be distributed	-	-

14. **Operating income and operating cost**

Item	**2015**		2014	
	Operating income	**Operating cost**	Operating income	Operating cost
Gross operating	13,697,791.67	1,676,432.51	4,443,167.90	860,249.33
Service income	13,697,791.67	1,676,432.51	4,443,167.90	860,249.33
Total	**13,697,791.67**	**1,676,432.51**	**4,443,167.90**	**860,249.33**

15. **Finance Expenses**

Item	**2015**	2014
Interest expense	-	-
Deductions: interest income	4,104.21	4,186.25
Additions: foreign exchange loss	41,049.00	249,932.32
Additions: bank service charge	9,327.32	5,659.09
Total	**46,272.11**	**251,405.16**

16. **Non-operating Income**

Item	**2015**	2014
Individual income tax refund	341,962.03	1,269.51
Total	**341,962.03**	**1,269.51**

17. **Non-operating Expenses**

Item	**2015**	2014
Fine for overdue tax payment	-	370.44
Total	**-**	**370.44**

18. **Lease Commitment**

As at March 31st, 2015, the future aggregate minimum lease payments of office rents under an uncancellable lease agreement are as follows:

Period	**Lease commitment**
2015	329,830.47
Total	**329,830.47**

19. **Cash Flow Statement**

(1) Supplementary information of cash flow statement

Item	**2015**	2014
1. **Reconciliation of net loss to cash flows used in operating activities:**		
Net profit	-377,617.51	-5,472,536.95
Additions: Asset impairment	-	-
Depreciation of fixed assets, oil and gas assets, and productive biological assets	46,289.52	45,659.97
Amortization of intangible assets	-	-
Finance expenses ("-" means "Income")	41,049.00	249,932.32
Decrease in operating receivables ("-" means "Increase")	-8,095,952.95	2,845,152.89
Increase in operating payables ("-" means "Decrease")	5,481,600.58	228,660.69
Other	-	-
Net cash flows from operating activities	-2,904,631.36	-2,103,131.08
2. **Net increase in cash and cash equivalents:**		
Ending balance of cash	1,375,998.11	1,519,070.01
Less: Opening balance of cash	1,519,070.01	3,879,617.17
Net increase in cash and cash equivalents	-143,071.90	-2,360,547.16

7. **RELATED PARTY RELATIONSHIP AND TRANSACTIONS**

A. **Related party relationship**

1 Parent company

(1) Parent company background information

Parent Company	**Nature**	**Registered address**
KPIT Technologies Limited	Investing	India

(2) Equity shares and changes in equity shares held by the parent company

Parent company	Equity shares		Equity shares percentage (%)		Voting right percentage (%)	
	March 31st, 2015	March 31st, 2014	March 31st, 2015	March 31st, 2014	March 31st, 2015	March 31st, 2014
KPIT Technologies Limited	11,014,863.60	8,222,487.15	100.00	100.00	100.00	100.00

2 Other related parties

Relationship with the Company	**Name of related parties**	**Main transactions address**
Controlled by the same ultimate holding company	Sparta Consulting Inc.	Rendering of services
Controlled by the same ultimate holding company	KPIT Infosystems Inc.	Rendering of services
Controlled by the same ultimate holding company	KPIT Technologies (UK) Limited	Rendering of services
Controlled by the same ultimate holding company	SYSTIME Global Solutions Pvt.Ltd.	Expenses paid on the Company's behalf
Controlled by the same ultimate holding company	KPIT Infosystems ME FZE Korea	Rendering of services

B. **Due to/from related parties**

1 Accounts receivable

Name of related parties	**March 31st, 2015**	March 31st, 2014
Sparta Consulting Inc.	2,058,836.92	290,593.71
KPIT Infosystems Inc.	286,877.59	1,002,242.24
KPIT Technologies (UK) Limited	33,802.56	-
KPIT Infosystems ME FZE Korea	96,103.98	-
Total	**2,475,621.05**	**1,292,835.95**

2 **Accounts payable**

Name of related parties	**March 31st, 2015**	March 31st, 2014
KPIT Infosystems Inc.	1,574,234.05	143,477.63
Total	**1,574,234.05**	**143,477.63**

3 **Other payable**

Name of related parties	**March 31st, 2015**	March 31st, 2014
KPIT Technologies Limited	94,354.59	-
Total	**94,354.59**	**-**

C. **Related party transactions**

1 Sales of goods and rendering of services

Name of related parties	**2015**	2014
Sparta Consulting Inc.	4,636,279.47	4,618,077.83
KPIT Infosystems Inc.	1,704,150.79	1,730,886.53
KPIT Technologies (UK) Limited	33,802.56	-
KPIT Infosystems ME FZE Korea	96,103.98	-
Total	**6,470,336.8**	**6,348,964.36**

2 Expenses paid by related parties

Name of related parties	**2015**	2014
KPIT Technologies Limited	1,664,436.73	-
Total	**1,664,436.73**	**-**

8. **CONTINGENCIES**

As at March 31st, 2015, the Company does not have any significant contingencies to be disclosed.

9. **COMMITMENTS**

As at March 31st, 2015, the Company does not have any significant commitments to be disclosed.

10. **SUBSEQUENT EVENTS**

As the financial statements of the Company are approved to issue, the Company does not have any significant subsequent events to be disclosed.

11. **Approval of Financial Reports**

The Company's financial statements of the year 2015 have been approved by the board of the Company.

KPIT Infosystems ME FZE

Registered Office: Dubai Airport Free Zone Area, West Wing 2, Office 2W113 & 6EA 331, P.O.Box: 54931, Dubai, UAE.

Managers' report

The managers has pleasure in presenting this report and the audited consolidated financial statements for the year ended 31 March 2015.

Principal activities

The establishment is engaged in the business of providing software and IT infrastructure services.

Financial results

The establishment has incurred a loss of AED 7,894,682 for the year ended 31 March 2015 (31 March 2014:loss:AED 3,119,801)

The establishment has accumulated losses aggregating to AED 10,213,165 which exceeds the share capital of the establishment. The management is aware of the accumulated loss as shown in the consolidated financial statements. However, these consolidated financial statements have been prepared on a going concern basis as management intends to continue operations and the shareholder and related parties have agreed to provide adequate funds to the establishment to meet its obligations as and when they fall due.

Management responsibilities

The company law requires the management to prepare the financial statements for each financial year, which provide a true and fair view of the state of the affairs of the establishment and the net profit or loss for the year. The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the establishment and to enable them to ensure that the financial statements comply with the International Financial Reporting Standards and applicable laws of United Arab Emirates.

Events after the reporting period

There are no significant events after the reporting period, which is effecting the consolidated financial statements or disclosures.

Shareholder and its interests

The shareholder and its interests in the establishment were disclosed in the note 1 of the consolidated financial statements. There were no changes to the shareholding structure during the year.

Management

Ihsan Ertan Yorganci and. Myles Patrick O'Connor are appointed as the managers of the establishment.

Auditors

M/s. Caliber Middle East Chartered Accountants were the auditors of the establishment for the year ended 31 March 2015, express their willingness to continue as auditors for the year ending 31 March 2016.

Acknowledgements

The manager wishes to place on record his sincere gratitude for the continuous support extended by various governments, banks, customers, suppliers, employees and all well-wishers.

Manager

23 April 2015 **KPIT Infosystems ME FZE**

Independent auditor's report to shareholders of KPIT Infosystems ME FZE, Dubai - U.A.E.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of KPIT Infosystems ME FZE, Dubai Airport Free Zone, Dubai, U.A.E ("the Establishment") which comprise the statement of financial position as at 31 March 2015, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our 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, we consider internal control relevant to the establishment's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the establishment's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of KPIT Infosystems ME FZE, Dubai Airport Free Zone, Dubai, U.A.E as at 31 March 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Emphasis of matter

Without further qualifying our audit opinion, we draw attention to the note number 3, which states that these consolidated financial statements have been prepared on a going concern basis, the validity of which assume that the shareholder and the related parties will continue its financial support to the establishment in order that it can meet its liabilities as they fall due. These consolidated financial statements do not include any adjustments that would arise from a failure to obtain financial support or generate positive cash flow in the foreseeable future.

Caliber Middle East Chartered Accountants

P. P. Kunhamad Koya

23 April 2015 Reg. No. 623

Consolidated statement of financial position as at 31 March 2015

	Notes	31.03.2015	31.03.2014
		AED	AED
Assets			
Non-current assets			
Property, plant and equipment	6	270,982	175,128
Total non-current assets		270,982	175,128
Current assets			
Due from related parties	7	31,196	-
Accounts and other receivables	8	15,016,166	3,566,868
Cash and bank balances	9	9,538,452	6,214,926
Total current assets		24,585,814	9,781,794
Total assets		**24,856,796**	**9,956,922**
Equity and liabilities			
Equity			
Share capital	1	1,000,000	1,000,000
Accumulated losses		(10,213,165)	(2,318,483)
Shareholders' current account	10	185,661	2,011
Total equity		(9,027,504)	(1,316,472)
Non-current liabilities			
Loan from related party	11	8,262,708	6,267,039
Bank borrowings	12	1,851,941	-
Provision for employees' end of service benefits	13	390,610	307,184
Total non-current liabilities		10,505,259	6,574,223
Current liabilities			
Loan from related party	11	10,633,388	36,485
Accounts and other payables	14	8,654,559	1,936,582
Due to related parties	7	4,091,094	2,726,104
Total current liabilities		23,379,041	4,699,171
Total liabilities		33,884,300	11,273,394
Total equity and liabilities		**24,856,796**	**9,956,922**

For KPIT Infosystems ME FZE

Manager

The notes on pages 10 to 20 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 March 2015

	Notes	31.03.2015	31.03.2014
		AED	AED
Revenue	15	21,592,467	3,766,280
Cost of consultancy services	16	(13,480,040)	(2,347,750)
Salaries and benefits	17	(14,057,287)	(2,932,852)
General & administration expenses	18	(4,524,627)	(1,645,533)
Finance cost	19	(422,463)	(36,485)
Loss from operation		(10,891,950)	(3,196,340)
Other income	20	2,997,268	76,539
Loss for the year		**(7,894,682)**	**(3,119,801)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(7,894,682)**	**(3,119,801)**

The notes on pages 10 to 20 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 March 2015

	Share capital	Accumulated losses	Shareholder's current account	Total
	AED	AED	AED	AED
Balance as at 31 March 2013	1,000,000	801,318	2,011	1,803,329
Total comprehensive loss for the year	-	(3,119,801)	-	(3,119,801)
Balance as at 31 March 2014	1,000,000	(2,318,483)	2,011	(1,316,472)
Total comprehensive loss for the year	-	(7,894,682)	-	(7,894,682)
Current account-net movements	-	-	183,650	183,650
Balance as at 31 March 2015	**1,000,000**	**(10,213,165)**	**185,661**	**(9,027,504)**

The notes on pages 10 to 20 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 March 2015

	31.03.2015	31.03.2014
	AED	AED
Cash flows from operating activities		
Net loss for the year	(7,894,682)	(3,119,801)
Adjustments for:		
Depreciation	45,524	5,463
Allowance for doubtful debts	(306,550)	469,075
Finance cost	422,463	36,485
Provision for employees' end of service benefits	83,426	147,158
Cash flows before working capital changes	(7,649,819)	(2,461,620)
Changes in:		
Due from related parties	(31,196)	-
Accounts and other receivables	(11,142,748)	(2,301,365)
Accounts and other payables	6,717,977	1,353,348
Due to related parties	1,364,990	2,368,874
Margin money deposits	(444,560)	(5,037,324)
Net cash used in operating activities	(11,185,356)	(6,078,087)
Cash flows from investing activities		
Additions to property, plant & equipment	(141,378)	(180,591)
Net cash used in investing activities	(141,378)	(180,591)
Cash flows from financing activities		
Loan from related party	12,592,572	6,303,524
Finance cost	(422,463)	(36,485)
Net movement in shareholder's current account	183,650	-
Net cash from financing activities	12,353,759	6,267,039
Net increase in cash and cash equivalents	1,027,025	8,361
Cash and cash equivalents at the beginning of the year	874,704	866,343
Cash and cash equivalents at the end of the year	**1,901,729**	**874,704**
Cash and cash equivalents comprise of:		
Cash at bank	3,753,670	874,704
Bank overdraft	(1,851,941)	-
	1,901,729	**874,704**

The notes on pages 10 to 20 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 March 2015

1 Legal status and business activities

These are consolidated financial statements comprising of:

i. M/s. KPIT Infosystems ME FZE, Dubai, U.A.E ("parent company"), registered with Dubai Airport Free Zone Authority as a Free Zone Establishment under the service license no: 756 issued on 17 July 2005.

ii. M/s. KPIT Infosystems ME FZE, branch registered with Australian Securities and Investments Commission, Australia, under the Australian Registered Body Number – 164 424 364 issued on 12th July 2013.

iii. M/s. KPIT Infosystems ME FZE, branch registered with Dubai Silicon Oasis Authority, Dubai, U.A.E, under the service license no: 1087 issued on 25 December 2014. The branch has not started its commercial operations during the year.

iv. M/s. KPIT Infosystems ME FZE, branch registered is South Korea, as per registration No: 131181-0057655. The establishment opened the branch to expand its operations in Korea and Asia Pacific region.

During the year, M/s. KPIT Global Solutions Limited ("KPIT Global") has been merged with M/s. KPIT Technologies Limited ("KPIT") and thus, M/s. KPIT Infosystems ME FZE, Dubai, UAE is wholly owned by M/s. KPIT Technologies Limited, India. The documentation with respect to the change is in progress in Dubai Airport Free Zone Authority.

Activity

The establishment is engaged in the business of providing software and IT infrastructure services.

Management

Ihsan Ertan Yorganci and Myles Patrick O'Connor are appointed as the managers of the establishment.

Accounting period

These consolidated financial statements relate to the accounts for the period from 01 April 2014 to 31 March 2015.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1. New standards, interpretations and amendments effective from January 1, 2014

The following new and revised IFRSs have been adopted in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- IAS 32 Offsetting Financial Assets and Financial Liabilities.
- IAS 36 Recoverable Amount Disclosures for Non-Financial Assets.
- IAS 39 Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC 21 Levies

2.2. New standards, interpretations and amendments not yet effective

The Establishment has not applied the following new and revised IFRSs that have been issued but are not yet effective for annual periods beginning on or after January 1, 2014. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures with in the financial statements

- IFRS 9 'Financial instruments (2009)'
- IFRS 9 'Financial instruments (2010)'
- IFRS 9 'Financial instruments (2013)' (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)
- IFRS 9 'Financial instruments (2014)'
- IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)' (Effective for annual periods beginning on or after January 1, 2016):
- IFRS 11 'Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)' (Effective for annual periods beginning on or after January 1, 2016):
- IFRS 14 'Regulatory Deferral Accounts' (Effective for annual periods beginning on or after January 1, 2016):
- IFRS 15 'Revenue from Contracts with Customers' (Effective for annual periods beginning on or after January 1, 2017):
- IAS 16 and IAS 38 'Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)' (Effective for annual periods beginning on or after January 1, 2016):
- IAS 16 and IAS 41 'Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)' (Effective for annual periods beginning on or after January 1, 2016):
- IAS 19 'Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)' (Effective for annual periods beginning on or after July 1, 2014):
- IAS 27 'Equity Method in Separate Financial Statements (Amendments to IAS 27)' (Effective for annual periods beginning on or after January 1, 2016):

2.2 Annual Improvements to IFRSs 2010-2012 Cycle (Effective for annual periods beginning on or after July 1, 2014):

The Establishment has adopted following annual improvements in IFRSs. The annual improvements have not impacted the Establishment's financial position or performance on adoption.

- IFRS 2 Share Based Payments
- IFRS 3 Business Combinations
- IFRS 8 Operating Segments
- IFRS 13 Fair Value Measurements
- IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets'
- IAS 24 Related Party Disclosures

2.3 Annual Improvements to IFRSs 2011-2013 Cycle (Effective for annual periods beginning on or after July 1, 2014):

The Establishment has adopted following annual improvements in IFRSs. The annual improvements have not impacted the Establishment's financial position or performance on adoption.

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 3 Business Combinations
- IFRS 13 Fair Value Measurements
- IAS 40 Investment Properties

2.4 Annual Improvements to IFRSs 2012-2014 Cycle (Effective for annual periods beginning on or after July 1, 2016):

The Establishment has not applied the following annual improvements to IFRSs that have been issued but are not yet effective for annual periods beginning on or after January 1, 2014. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures with in the financial statements.

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 7 Financial Instruments: Disclosures
- IAS 19 Employee Benefits
- IAS 34 Interim Financial Reporting

3 Fundamental accounting concept

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of all liabilities in the normal course of business. The establishment has accumulated losses as at 31 March 2015 aggregating to AED 10,213,165 which exceeds the share capital and the net equity of the establishment is negative. The shareholder is aware of the accumulated losses as shown in the consolidated financial statements.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the establishment be unable to continue as a going concern. The shareholder and the related parties have agreed to provide such financial support as may be required to enable the establishment to meet its debts and obligations as they fall due.

4 Basis of preparation and significant accounting policies

4.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to the operations of the establishment.

All significant intercompany balances, transactions, income and expenses have been eliminated on consolidation.

The accounting policies adopted have been consistently applied in dealing with items considered material to the establishment's financial statements.

4.2 Basis of preparation

The consolidated financial statements are prepared under the historical cost convention, modified to incorporate changes to the carrying values of assets and liabilities as necessary.

4.3 Foreign currencies

4.3.1 Functional and presentation currency

The consolidated financial statements are presented in Arab Emirates Dirham (AED), which is the establishment's functional and presentation currency.

4.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the reporting date are translated at rates of exchange ruling at that date. Exchange differences arising in these cases are dealt with in the consolidated statement of profit or loss and other comprehensive income.

4.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the establishment and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment using the straight – line method over its useful lives as follows:

	Years
Air conditioning machine	5
Furniture, fixtures & fittings	1-2
Motor vehicle	5
Office equipment	1
Computer systems & peripherals	1-3

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of profit or loss and other comprehensive income.

4.5 Revenue recognition

Revenue is recognized in the consolidated statement of profit or loss and other comprehensive income at the fair value of the consideration received and receivable, provided it is probable that the economic benefits will flow to the establishment and the revenue and costs, if applicable, can be measured reliably:

4.5.1 Rendering of services

Revenue represents the net invoiced value of services rendered during the year.

4.6 Employees' terminal benefits

Provision is made for employees' terminal benefits on the basis prescribed under the U.A.E Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the establishment has no expectation of settling its employees' terminal benefits obligation in the near future.

4.7 Impairment

Financial assets

At each reporting date, the establishment assesses if there is any objective evidence indicating impairment of financial assets or non collectability of receivables.

An impairment loss, if any, arrived at as difference between the carrying amount and the recoverable amount, is recognized in the consolidated statement of profit or loss and other comprehensive income. The recoverable amount represents the present value of expected future cash flows discounted at original effective interest rate. Cash flows relating to short term receivables are not discounted.

Non -financial assets

At each reporting date, the establishment assesses if there is any indication of impairment of non-financial assets. If an indication exists, the establishment estimates the recoverable amount of the asset and recognizes an impairment loss in the consolidated statement of profit or loss and other comprehensive income. The establishment also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

4.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposit and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

4.9 Accounts receivables

Accounts receivables originated by the establishment are measured at cost. An allowance for credit losses of accounts receivable is established when there is objective evidence that the establishment will not be able to collect the amounts due. Indicators that the accounts receivable are impaired include consistent default in the payments when due, financial difficulties of the customer and other indicators. When an accounts receivable is considered uncollectible, it is written off against the allowance account for credit losses. Subsequent recoveries of amounts previously written off are credited in the statement of profit or loss and other comprehensive income. The carrying value of accounts receivable approximates to their fair value due to the short term nature of those receivables.

4.10 Accounts and other payables

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not billed to the establishment.

4.11 Operating leases

Leases under which the substantial risk and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

5. Significant accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

5.1 Allowance for doubtful debts

Management has estimated the recoverability of accounts receivable balances and has considered the allowance required for doubtful debts on the current economic environment and past default history.

5.2 Property, plant and equipment

Property, plant and equipment are depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

6 Property, plant and equipment

	Air conditioning machine	Furniture, fixtures & fittings	Motor Vehicle	Office equipment	Computer Systems & peripherals	Total
	AED	AED	AED	AED	AED	AED
Cost						
Balance at 01 April 2013	3,240	19,685	37,000	20,574	98,110	178,609
Additions	-	163,190	-	-	17,401	180,591
Balance at 31 March 2014	**3,240**	**182,875**	**37,000**	**20,574**	**115,511**	**359,200**
Additions	-	-	-	-	141,378	141,378
Balance at 31 March 2015	**3,240**	**182,875**	**37,000**	**20,574**	**256,889**	**500,578**
Accumulated depreciation						
Balance at 01 April 2013	3,240	19,685	37,000	20,574	98,110	178,609
Depreciation expense	-	5,100	-	-	363	5,463
Balance at 31 March 2014	**3,240**	**24,785**	**37,000**	**20,574**	**98,473**	**184,072**
Depreciation expense	-	20,399	-	-	25,125	45,524
Balance at 31 March 2015	**3,240**	45,184	37,000	20,574	123,598	229,596
Carrying amounts						
As at 31 March 2015	**-**	**137,691**	**-**	**-**	**133,291**	**270,982**
As at 31 March 2014	-	158,090	-	-	17,038	175,128

		31.03.2015	31.03.2014
		AED	AED
7	**Related party transactions**		
	Due from related parties		
	KPIT Technologies France	29,372	-
	KPIT Infosystems Inc	1,824	-
		31,196	-
	Due to related parties		
	KPIT Technologies(UK) Limited	6,230	-
	KPIT Technologies Limited, India	3,949,465	2,726,104
	KPIT(Shanghai) Software Technology	56,660	-
	SYSTIME Global Solutions Canada	18,059	-
	SYSTIME Computer Corporation	60,680	-
		4,091,094	2,726,104

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions represent transactions with shareholder, director and senior management of the establishment and entities in which they have significant influence or control or are similarly influenced or controlled. The establishment enters into transactions with related parties in the normal course of business at prices determined by the management.

During the year, the company entered into the following transactions with related parties:

	31.03.2015	31.03.2014
	AED	AED
Interest on loan from related party	375,382	36,485
Other Income	2,657,321	-
	3,032,703	36,485

8	**Accounts and other receivables**		
	Accounts receivables	11,369,029	4,061,406
	Less: allowance for doubtful debts	(567,779)	(874,329)
		10,801,250	3,187,077
	Staff advances	140,843	69,598
	Deposits	79,890	76,316
	Prepayments	331,940	193,825
	Accrued revenue	3,291,238	19,636
	Other receivables	371,005	20,416
		15,016,166	3,566,868
	Age wise analysis of accounts receivables		
	Less than 3 months	7,033,831	2,800,377
	More than 3 months	4,335,198	1,261,029
		11,369,029	4,061,406

a) The fair value of accounts receivables is not materially different from their net balances shown in the consolidated statement of financial position.

b) The credit risk on accounts receivable is limited as the establishment evaluates its customers and limits the credit risks by ensuring that collections are in line with the agreed terms and conditions.

c) Provision is made against accounts receivables as soon as they are estimated as doubtful.

		31.03.2015	31.03.2014
		AED	AED
	Movement in the allowance for doubtful debts		
	Balance at the beginning of the year	874,329	405,254
	Additional allowance during the year	-	641,427
	Amounts written off during the year as uncollectible	-	(48,320)
	Amounts recovered during the year	(306,550)	(124,032)
		567,779	874,329
9	**Cash and bank balances**		
	Cash at bank		
	In current accounts	3,753,670	874,704
	Margin money deposits	5,784,782	5,340,222
		9,538,452	6,214,926

10 Shareholder's current account

There are no defined repayment arrangements for the shareholder's current accounts, which are interest free and unsecured.

		31.03.2015	31.03.2014
		AED	AED
11	**Loan from related party**		
	SYSTIME Computer Corporation, USA	18,896,096	6,303,524
	Due within 1 year	10,633,388	36,485
	Due within 2-3 years	8,262,708	6,267,039
		18,896,096	6,303,524

12 Bank borrowings

Bank borrowings comprises of one overdraft balance with the bank.

		31.03.2015	31.03.2014
		AED	AED
13	**Provision for employees' end of service benefits**		
	Opening balance	307,184	160,026
	Charges for the year	83,426	166,544
	Excess provision written back	-	(125)
	Less: payments during the year	-	(19,261)
		390,610	307,184
14	**Accounts and other payables**		
	Accounts payable	1,172,125	33,375
	Deferred revenue	690,306	1,460,000
	Provisions and accrued expenses	2,216,127	430,475
	Provisions for software consultancy charges	4,341,463	-
	Other payable	234,538	12,732
		8,654,559	1,936,582

15 Revenue

Revenue represents income generated from providing software and IT infrastructure services.

16 Cost of consultancy services

Cost of consultancy services include consultancy fee paid to consultant and subcontractors

17 Salaries and benefits

Staff costs comprises of salary and other benefits paid to the employees of the establishment.

		31.03.2015	31.03.2014
		AED	AED
18	**General & administration expenses**		
	Travelling and conveyance	1,034,287	465,749
	Legal, visa, professional and other charges	938,353	164,846
	Bad debts	660,950	48,320
	Business promotion	660,472	-
	Rent	490,558	157,482
	Insurance	256,556	42,267
	Communication	173,703	80,783
	Bank charges	116,821	159,258
	Depreciation	45,524	5,463
	Printing & stationery	22,040	10,288
	Maintenance	21,261	16,255
	Miscellaneous	104,102	2,137
	Exchange difference	-	23,610
	Allowance for doubtful debts	-	469,075
		4,524,627	1,645,533

19 Finance cost

Finance cost include interest on loan from related party and interest on bank overdraft.

20 Other income

Other income mainly comprises of reversal of allowance for doubtful debts and related party balances no more payable written off.

21 Fair value of financial instruments

Financial instruments

Financial assets of the establishment include cash and bank balances,due from related parties and accounts and other receivables and financial liabilities include accounts and other payables, due to related parties,loan from related part, bank borrowings and long term liabilities.

Credit risk

Financial assets, which potentially expose the establishment to concentration of credit risk, comprise principally of bank accounts and accounts receivables. The establishment's bank accounts are placed with banks with good credit ratings. The credit risk on accounts receivables is limited as the establishment evaluates its customers and limits the credit risk by ensuring that collections are in line with agreed terms and conditions. A review of the recoverability of accounts receivables has been carried out as at the consolidated statement of financial position date and adequate provisions have been raised.

Exchange risk

Currency risk related to change in exchange rate which affect payment flows in foreign currencies and valuation of liabilities in foreign currencies. The establishment regularly monitors exchange fluctuations and take such steps as may be required to cover itself.

Liquidity risk

The establishment manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The establishment maintains good working relations with its banks and ensures compliance with the covenants as stipulated in facility agreements.

Interest rate risk

The establishment is not exposed to any interest rate risk as they do not have any variable interest rate financial assets/liabilities at the reporting date.

Fair value

The management believes that the fair values of the financial assets and liabilities are not materially different from their carrying amounts at the consolidated statement of financial position date.

22 Contingent liabilities and capital commitments

	31.03.2015	31.03.2014
	AED	AED
Letters of guarantee	5,784,782	5,340,222

Except the above and ongoing business obligations in the normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitments on the establishment's account.

23 Comparative amounts

Certain amounts of the prior year have been regrouped and reclassified wherever necessary to make them comparable to those of the current year.

Impact Automotive Solutions Limited

Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase I, MIDC, Hinjewadi, Pune - 411 057, India.

BOARD'S REPORT

Dear Members,

Your Directors present the Fifth Annual Report together with the Audited Accounts of the Company for the Financial Year ended March 31, 2015.

Performance of the Company

During the year under review, the Company has ceased to be a joint venture between KPIT Technologies Limited and Bharat Forge Limited and has become a wholly owned subsidiary of KPIT Technologies Limited.

The financial results are as under:

(Amount in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Profit / (Loss) before Tax	(68,012,591)	(70,306,308)
Profit / (Loss) after Tax	(68,012,591)	(70,487,308)

Project implementation

During the year under review, the Government of India released the final regulations and also our product was certified against these regulations. However, the management of the Company consciously decided to delay the launch due to drop in fuel prices as well as delay in government incentive schemes.

There is no change in the nature of the business of the Company during the year under review.

Dividend

In view of loss incurred during the year under review, your Directors do not recommend any dividend for the year.

Material changes and commitments affecting the financial position of the Company

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Internal control systems and their adequacy

The internal control systems of the Company are commensurate with the nature, size, scale and complexity of its operations.

Fixed Deposits

The Company has not accepted any deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Auditors

Pursuant to the provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Harish K. Lalwani & Associates (Firm Registration No. 103507W), Chartered Accountants, Pune, were appointed as the Statutory Auditors of the Company in the previous Annual General Meeting held on September 29, 2014, for a period of 5 (five) years, subject to ratification by the members in every annual general meeting. Based on the recommendation of the Audit Committee, the Board recommends ratification of the appointment of Harish K. Lalwani & Associates, Chartered Accountants, Pune, as the Statutory Auditors of the Company, at the ensuing Annual General Meeting.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Share Capital

During the year under review, the Company issued and allotted 2,000,000 Equity Shares of ₹ 10/- (Rupees Ten only) each, fully paid, aggregating to ₹ 20,000,000/- to the existing member of the Company, thereby increasing the paid-up share capital.

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo

As stipulated under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, the information on conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed as "Annexure I" to this Report.

Extract of Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in Form MGT-9 is annexed as "Annexure II" to this Report.

Directors

Pursuant to Article 108 of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Kishor Patil retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his reappointment.

During the year, consequent upon Bharat Forge Limited divesting its shares in the Company, Mr. Babasaheb Kalyani and Mr. Amit Kalyani resigned as Directors of the Company with effect from January 21, 2015.

Owing to his other business commitments and preoccupations, Mr. S. B. (Ravi) Pandit resigned from the directorship of the Company with effect from February 20, 2015.

Pursuant to Article 104 of the Articles of Association of the Company read with Sections 149, 152 and 161(1) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors had appointed Mr. Adi Engineer and Ms. Lila Poonawalla as Additional Directors of the Company in the category of Independent Directors with effect from February 19, 2015 and April 27, 2015 respectively.

In addition to the above, the Board of Directors have also appointed Mr. Anup Sable and Mr. Chinmay Pandit as Additional Directors of the Company with effect from January 21, 2015 and February 26, 2015 respectively.

They hold the said office till the date of ensuing Annual General Meeting.

A notice has been received from a member proposing their candidature for reappointment as Directors of the Company.

A proposal is being put up for the approval of the members of the Company at the ensuing Annual General Meeting for the appointment of Mr. Adi Engineer and Ms. Lila Poonawalla as Independent Directors and reappointment of Mr. Anup Sable and Mr. Chinmay Pandit as the Directors of the Company.

The Board places on record its appreciation of the valuable services provided by Mr. Babasaheb Kalyani, Mr. S. B. (Ravi) Pandit and Mr. Amit Kalyani during their tenure.

Board Independence

Our definition of "Independence" of Directors is derived from Section 149(6) of the Companies Act, 2013. The Board of Directors of the Company comprises of optimum number of Independent Directors. Based on the confirmations / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013:-

(a) Mr. Adi Engineer; and

(b) Ms. Lila Poonawalla.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following individuals have been appointed / noted as the whole-time Key Managerial Personnel of the Company as below:-

(a) Mr. Sunil Gandhi – Manager;
(b) Mr. Anil Patwardhan – Chief Financial Officer; and
(c) Ms. Jaimeetkaur Sial – Company Secretary.

Board Meetings

Five meetings of the Board of Directors were held during the year under review i.e. on April 28, 2014, August 20, 2014, November 18, 2014, January 21, 2015 and February 19, 2015. The intervening gap between the meetings was within the period prescribed under Section 173(1) of the Companies Act, 2013.

Composition of the Audit Committee

The composition of the Audit Committee is as follows:-

Sr. No.	Name of the Committee Member	Designation
1	Ms. Lila Poonawalla	Chairperson
2	Mr. Adi Engineer	Member
3	Mr. Kishor Patil	Member

During the year, all the recommendations of the Audit Committee were accepted by the Board.

Formal Annual Evaluation by the Board

The Independent Directors have been appointed on February 19, 2015 and April 27, 2015 respectively and the separate meeting of the Independent Directors of the Company would be held in the financial year 2015-16.

Particulars of loans, guarantees or investments

During the year under review, the Company has neither given any loan nor guarantee nor made any investments, pursuant to the provisions of Section 186 of the Companies Act, 2013.

Particulars of Employees

During the year under review, there was no employee drawing salary in excess of the limits set out under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Risk Management Policy

A mechanism to identify, assess, monitor and mitigate various risks to key business objectives of the Company is in place considering nature, size, scale and complexity of its business operations.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place, a policy on prevention of sexual harassment and also a redressal mechanism for resolving complaints received with respect to sexual harassment and discriminatory employment practices. No case of sexual harassment and discriminatory employment was reported during the financial year under review.

Company's Policy on Directors' appointment and remuneration

Pursuant to the provisions of Section 134(3)(e) of the Companies Act, 2013, the policy of the Company on the appointment and remuneration of Directors including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3), is annexed as "Annexure III" to this Report.

Particulars of contracts or arrangements with related parties referred to in Section 188(1)

Pursuant to the provisions of Section 134(3)(h) of the Companies Act, 2013, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 and prescribed in Form AOC-2 of the Companies (Accounts) Rules, 2014, is annexed as "Annexure IV" to this Report.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state that:-

(a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) they have 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 as at March 31, 2015 and of the loss of the Company for the year ended on that date;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual financial statements have been prepared on a going concern basis; and

(e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Acknowledgements

Your Directors place on record their sincere thanks to bankers, business associates, consultants and various Government authorities for their continued support extended to your Company's activities and the employees for their valuable contribution during the year under review. Your Directors also acknowledges gratefully the members for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors
For Impact Automotive Solutions Limited

Date : April 27, 2015
Place: Pune

Kishor Patil
Director

Chinmay Pandit
Director

Annexure I

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014

(A) Conservation of Energy

(a) Steps taken or impact on conservation of energy

The Company always endeavors to reduce energy consumption and achieve conservation of resources. The employees were adequately trained to conserve energy.

(b) Steps taken by the Company for utilizing alternate sources of energy

Commercial production is yet to start and therefore this is not applicable.

(c) Capital investment on energy conservation equipment

During the year under review, there has been no capital investment on energy conservation equipment.

(B) Technology Absorption, Adaptation and Innovation

(a) Efforts made towards technology absorption

Technology required for the project is being absorbed satisfactorily. The Company has not imported any technology.

(b) Benefits derived as a result of above efforts

The project is under implementation and the benefits shall be ascertained after the commercial operation of the project.

(c) The Company has not imported any technology.

(d) Expenditure incurred on Research and Development

During the year under review, there has been no expenditure on Research and Development.

(C) Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned:

	(Amount in ₹)
Foreign Exchange earned	NIL
Foreign Exchange used	3,693,126
Net Foreign Exchange earned	(3,693,126)

For and on behalf of the Board of Directors
For Impact Automotive Solutions Limited

Date : April 27, 2015
Place: Pune

Kishor Patil
Director

Chinmay Pandit
Director

Annexure II

Form MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	U35923PN2010PLC137191
ii)	Registration Date:-	August 25, 2010
iii)	Name of the Company:-	Impact Automotive Solutions Limited
iv)	Category / Sub-Category of the Company:-	Public Company / Limited by shares
v)	Address of the Registered office and contact details:-	35 & 36, Rajiv Gandhi Infotech Park, Phase – I, MIDC, Hinjewadi, Pune – 411057. Telephone:- +91-20-6652 5000 Fax:- +91-20-6652 5001
vi)	Whether listed company:-	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:-	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	2920	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of the shares held	Applicable Section
1	KPIT Technologies Limited 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, Hinjewadi, Pune - 411057.	L72200PN1990PLC059594	Holding	100	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	**PROMOTERS**									
(1)	INDIAN									
a	Individual / HUF	-	2	2	-	-	-	-	-	(100)
b	Central Govt.	-	-	-	-	-	-	-	-	-
c	State Govt. (s)	-	-	-	-	-	-	-	-	-
d	Bodies Corporate	-	29,809,996	29,809,996	100	-	31,809,994	31,809,994	100	-
e	Banks / FI	-	-	-	-	-	-	-	-	-
f	Any Other									
	Individuals holding shares as registered owners for the beneficial interest of Body Corporate	-	2	2	-	-	6	6	-	-
	Sub-Total (A)(1)	**-**	**29,810,000**	**29,810,000**	**100**	**-**	**31,810,000**	**31,810,000**	**100**	**-**
(2)	Foreign									
a	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b	Other - Individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corporate	-	-	-	-	-	-	-	-	-
d	Banks / FI	-	-	-	-	-	-	-	-	-
e	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	TOTAL SHAREHOLDING OF PROMOTERS (A) = (A)(1) + (A)(2)	**-**	**29,810,000**	**29,810,000**	**100**	**-**	**31,810,000**	**31,810,000**	**100**	**-**
B	**PUBLIC SHAREHOLDING**									
(1)	Institutions	-	-	-	-	-	-	-	-	-
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Banks / FI	-	-	-	-	-	-	-	-	-
c	Central Govt.	-	-	-	-	-	-	-	-	-
d	State Govt.(s)	-	-	-	-	-	-	-	-	-
e	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f	Insurance Companies	-	-	-	-	-	-	-	-	-
g	FIIs		-	-	-	-	-	-	-	-
h	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i	Others (Specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2)	Non-Institutions									
a	Bodies Corporate	-	-	-	-	-	-	-	-	-
i	Indian	-	-	-	-	-	-	-	-	-
ii	Overseas	-	-	-	-	-	-	-	-	-
b	Individuals									
i	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c	Others (Specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Public Shareholding (B) = (B)(1) + (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C	**SHARES HELD BY CUSTODIAN FOR ADRs AND GDRs**	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C)	**-**	**29,810,000**	**29,810,000**	**100**	**-**	**31,810,000**	**31,810,000**	**100**	**-**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the End of the year			% change in shareholding during the year
		No. of shares	% of total Shares of the company	% of shares pledged / encumbered to total Shares	No. of shares	% of total Shares of the company	% of shares pledged / encumbered to total Shares	
1	Bharat Forge Limited	14,904,998	50	-	-	-	-	(50)
2	Mr. Babasaheb Neelkanth Kalyani (Nominee of Bharat Forge Limited)	1	-	-	-	-	-	-
3	KPIT Technologies Limited	14,904,997	50	-	31,809,994	100	-	50
4	Mr. Shashishekhar Balkrishna Pandit	1	-	-	-	-	-	-
5	Mr. Kishor Parshuram Patil	1	-	-	-	-	-	-
6	Mr. Amit Kalyani (Nominee of Bharat Forge Limited)	1	-	-	-	-	-	-
7	KPIT Technologies Limited J/W S. B. (Ravi) Pandit	1	-	-	-	-	-	-
8	Mr. Anup Vitthal Sable (Nominee of KPIT Technologies Limited)	-	-	-	1	-	-	-
9	Mr. Chandrashekhar Shrinivas Sonsale (Nominee of KPIT Technologies Limited)	-	-	-	1	-	-	-
10	Mr. Sachin Dattatraya Tikekar (Nominee of KPIT Technologies Limited)	-	-	-	1	-	-	-
11	Mr. Anil Kashinath Patwardhan (Nominee of KPIT Technologies Limited)	-	-	-	1	-	-	-
12	Mr. Sunil Gandhi (Nominee of KPIT Technologies Limited)	-	-	-	1	-	-	-
13	Mr. Chinmay Shashishekhar Pandit (Nominee of KPIT Technologies Limited)	-	-	-	1	-	-	-
	Total	**29,810,000**	**100**	**-**	**31,810,000**	**100**	**-**	**-**

iii) Change in Promoters' Shareholding

Sr. No.	For each of the Promoters	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**Bharat Forge Limited**				
	At the beginning of the year	14,904,998	50	14,904,998	50
	Increase / (Decrease) during the year	(14,904,998)	(50)	-	-
	At the end of the year			-	-
2	**Mr. Babasaheb Neelkanth Kalyani (Nominee of Bharat Forge Limited)**				
	At the beginning of the year	1	-	1	-
	Increase / (Decrease) during the year	(1)	-	-	-
	At the end of the year			-	-
3	**KPIT Technologies Limited**				
	At the beginning of the year	14,904,997	50	14,904,997	50
	Increase / (Decrease) during the year	16,904,998	56.71	31,809,995	100
	Increase / (Decrease) during the year	(1)	-	31,809,994	100
	At the end of the year			31,809,994	100
4	**Mr. Shashishekhar Balkrishna Pandit**				
	At the beginning of the year	1	-	1	-
	Increase / (Decrease) during the year	(1)	-	-	-
	At the end of the year			-	-
5	**Mr. Kishor Parshuram Patil**				
	At the beginning of the year	1	-	1	-
	Increase / (Decrease) during the year	(1)	-	-	-
	At the end of the year			-	-
6	**Mr. Amit Babasaheb Kalyani (Nominee of Bharat Forge Limited)**				
	At the beginning of the year	1	-	1	-
	Increase / (Decrease) during the year	(1)	-	-	-
	At the end of the year			-	-
7	**KPIT Technologies Limited J/W Mr. S. B. (Ravi) Pandit**				
	At the beginning of the year	1	-	1	-
	Increase / (Decrease) during the year	(1)	-	-	-
	At the end of the year			-	-
8	**Mr. Anup Vitthal Sable (Nominee of KPIT Technologies Limited)**				
	At the beginning of the year	-	-	-	-
	Increase / (Decrease) during the year	1	-	1	-
	At the end of the year			1	-
9	**Mr. Chandrashekhar Shrinivas Sonsale (Nominee of KPIT Technologies Limited)**				
	At the beginning of the year	-	-	-	-
	Increase / (Decrease) during the year	1	-	1	-
	At the end of the year			1	-
10	**Mr. Sachin Dattatraya Tikekar (Nominee of KPIT Technologies Limited)**				
	At the beginning of the year	-	-	-	-
	Increase / (Decrease) during the year	1	-	1	-
	At the end of the year			1	-
11	**Mr. Anil Kashinath Patwardhan (Nominee of KPIT Technologies Limited)**				
	At the beginning of the year	-	-	-	-
	Increase / (Decrease) during the year	1	-	1	-
	At the end of the year			1	-
12	**Mr. Sunil Gandhi (Nominee of KPIT Technologies Limited)**				
	At the beginning of the year	-	-	-	-
	Increase / (Decrease) during the year	1	-	1	-
	At the end of the year			1	-
13	**Mr. Chinmay Shashishekhar Pandit (Nominee of KPIT Technologies Limited)**				
	At the beginning of the year	-	-	-	-
	Increase / (Decrease) during the year	1	-	1	-
	At the end of the year			1	-

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):** None

v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**Mr. Babasaheb Neelkanth Kalyani* (Nominee of Bharat Forge Limited)**				
	At the beginning of the year	1	-	1	-
	Increase / (Decrease) during the year	(1)	-	-	-
	At the end of the year			-	-

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2	**Mr. Shashishekhar Balkrishna Pandit****				
	At the beginning of the year	1	-	1	-
	Increase / (Decrease) during the year	(1)	-	-	-
	At the end of the year			-	-
3	**Mr. Kishor Parshuram Patil**				
	At the beginning of the year	1	-	1	-
	Increase / (Decrease) during the year	(1)	-	-	-
	At the end of the year			-	-
4	**Mr. Amit Babasaheb Kalyani*** (Nominee of Bharat Forge Limited)**				
	At the beginning of the year	1	-	1	-
	Increase / (Decrease) during the year	(1)	-	-	-
	At the end of the year			-	-
5	**Mr. Anup Vitthal Sable# (Nominee of KPIT Technologies Limited)**				
	At the beginning of the year	-	-	-	-
	Increase / (Decrease) during the year	1	-	1	-
	At the end of the year			1	-
6	**Mr. Chinmay Shashishekhar Pandit## (Nominee of KPIT Technologies Limited)**				
	At the beginning of the year	-	-	-	-
	Increase / (Decrease) during the year	1	-	1	-
	At the end of the year			1	-
7	**Mr. Anil Kashinath Patwardhan$ (Nominee of KPIT Technologies Limited)**				
	At the beginning of the year	-	-	-	-
	Increase / (Decrease) during the year	1	-	1	-
	At the end of the year			1	-
8	**Mr. Sunil Gandhi$$ (Nominee of KPIT Technologies Limited)**				
	At the beginning of the year	-	-	-	-
	Increase / (Decrease) during the year	1	-	1	-
	At the end of the year			1	-

* Mr. Babasaheb Neelkanth Kalyani resigned from the directorship of the Company w.e.f. January 21, 2015.
** Mr. Shashishekhar Balkrishna Pandit resigned from the directorship of the Company w.e.f. February 20, 2015
*** Mr. Amit Babasaheb Kalyani resigned from the directorship of the Company w.e.f. January 21, 2015.
# Mr. Anup Vitthal Sable was appointed as an additional director of the Company w.e.f January 21, 2015.
Mr. Chinmay Shashishekhar Pandit was appointed as an additional director of the Company w.e.f. February 26, 2015.
$ Mr. Anil Kashinath Patwardhan was appointed as the Chief Financial Officer of the Company w.e.f. February 19, 2015.
$$ Mr. Sunil Gandhi was appointed as the Manager of the Company w.e.f. February 19, 2015.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment: Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Mr. Sunil Gandhi, Manager of the Company, was on deputation from KPIT Technologies Limited (i.e. the holding company) and his entire remuneration was paid by the holding company during the financial year 2014-15.

B. **Remuneration to other directors:** Nil

C. **Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

The Chief Financial Officer and the Company Secretary were on deputation from KPIT Technologies Limited (i.e. the holding company) and their entire remuneration was paid by the holding company during the financial year 2014-15.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors
For Impact Automotive Solutions Limited

Date : April 27, 2015
Place: Pune

Kishor Patil
Director

Chinmay Pandit
Director

Annexure III

NOMINATION & REMUNERATION POLICY

The Nomination and Remuneration Committee of **Impact Automotive Solutions Limited** ("the Company") will be a Board Committee and shall broadly play a dual role of:-

- Identifying potential candidates for becoming members of the Board and determining the composition of the Board based on the need and requirements of the Company from time to time to bring out diversity in the Board and also identify persons to be recruited in the senior management of the Company and;
- Ensuring the Companies compensation packages and other human resource practices are effective in maintaining a competent workforce and make recommendations relating to compensation of the Directors, Key Managerial Personnel and the senior management of the Company from time to time.

CONSTITUTION

The Committee shall comprise of at least three Directors, all of whom shall be non-executive directors and at least half shall be Independent Directors, the Chairperson being an Independent Director. The Chairperson of the Company (whether or not a non-executive director) may be a member of the Committee but shall not chair such Committee. The Chairperson of this Committee or in case of his absence, any other person authorised by him shall attend the general meetings of the Company. The Committee may meet, convene and conduct Committee meetings through video conferencing or audio visual means, as may be provided by the Company.

MEANING OF TERMS USED

a. **"Act"** means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.

b. **"Board"** refers to Board of Directors of Impact Automotive Solutions Limited.

c. **"Company"** refers to Impact Automotive Solutions Limited pursuant to this Policy.

d. **"Rules"** means the Companies (Meetings of Board) Rules, 2014 including any modifications or amendments thereof.

Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

ROLE AND RESPONSIBILITIES

The role and responsibility of the Committee shall be to undertake specific duties listed below and it will have the authority to undertake such other specific duties as the Board prescribes from time to time. The below mentioned roles and responsibilities are derived from the terms of reference of the Committee as determined and approved by the Board.

Specific responsibilities of the committee include:

1. Criteria for appointment as a Director

The Committee shall formulate criteria for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director of the Company. The criteria to be formulated will be beneficial to the Company and also take into consideration the qualities and expertise essential for the Company to operate going forward in a changing business environment. The Committee shall develop and recommend to the Board for its approval, criteria to be considered for nomination / appointment of a Director.

2. Identification and nomination of persons who are qualified to be Directors

The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive. The existing Directors who continue to satisfy the Criteria may also be considered by the Committee for re-appointment.

The Committee on satisfaction of a potential candidate meeting the Criteria and having completed the identification and selection process, will recommend such persons' candidature to the Board for appointment as a Non-Executive Director or Independent Director or Executive Director, as the case may be.

The Committee may recommend the candidates to the Board when:

- Any vacancy in the Board is required to be filled due to retirement or resignation or
- Any vacancy arises out of annual Board performance evaluation or
- Any vacancy arises as a result of end of tenure in accordance with the Act and Rules or
- Any change is required by law.

3. Approval of criteria, identification of persons and nomination of candidates required for senior management positions

The Committee shall lay down criteria including qualifications, skills, expertise and qualities required for senior management positions like Managing Director & CEO, Chief Financial Officer and Company Secretary and members of the Executive Council, if any, of the Company. The Committee shall play a consultative role to Board and may make recommendations to the Board regarding the appointments, removal and changes to the senior management positions of the Company.

4. Evaluation of the performance of the Board

The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board on an annual basis. The Committee shall also review its own performance on an annual basis. The Committee may seek the support and guidance of external experts and agencies for this purpose.

The Committee may evaluate the directors on following factors:-

a) Attendance at Board meetings and Board Committee meetings,

b) Chairmanship of the Board and Board Committees,

c) Contribution and deployment of knowledge and expertise at the Board and Committee meetings,

d) Guidance and support provided to senior management of the Company outside the Board meetings,

e) Independence of behaviour and judgment, and

f) Impact and influence.

5. Compensation and evaluation of the performance of the Directors and Key Managerial Personnel

The Committee shall recommend to the Board the compensation package of the Directors and Key Managerial Personnel on evaluation of performance in light of the short term and long term goals of the Company and overall performance of the Company. The Committee shall also ensure that the compensation packages are in accordance with applicable law, in line with the Company's objectives, shareholders' interests, with industry standards and have an adequate balance between fixed and variable component.

6. Compensation of senior management

The Committee shall evaluate the performance of the senior management of the Company, i.e., the members of the Executive Council, if any, of the Company, as presented by the Manager. The Committee shall ensure that the remuneration to the senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

7. Commission to the Non-Executive Directors

The Committee shall determine the Commission payable to the Non-Executive Directors after taking into account their contribution and participation as chairman / member to the decision making at meetings of the Board / Committees as well as providing strategic inputs and supporting highest level of Corporate Governance and Board effectiveness. It shall be within the overall limits fixed by the members of the Company.

POWERS OF THE COMMITTEE

The Committee shall have inter-alia following powers:

- Conduct studies or authorise studies of issues within the scope of the Committee and will have access to necessary books, records, facilities and personnel of the Company.
- Retain or seek advice of consultants and experts for performance of their role under this Policy and the costs relating thereto shall be borne by the Company.
- Delegate its powers or form sub-committees to perform any of its functions or role under this Policy, subject to approval of the Board.

MEETINGS

The Committee shall meet at such frequency as it may deem appropriate. Minutes of the meeting shall be circulated to the Committee. The Committee shall report to the Board regarding its actions and make necessary recommendations to the Board. The Committee shall be governed by the same rules regarding meetings as are applicable to the Board.

MINUTES

The Committee will maintain written minutes of its meetings, including formal telephonic meetings, which will be filed with the minutes of the meetings of the Board.

Annexure IV

Form AOC-2

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)
KPIT Technologies Limited (KPIT) [Holding company]	1) Sale of components to KPIT	One time sale.	Sale of components.	Not required Contract was entered in to in ordinary course of business and therefore approval by the Board was not required.	NIL
	2) Rent received from KPIT	Sub-lease of factory premises.	Monthly payment of rent.	Not required Contract was entered in to in ordinary course of business and therefore approval by the Board was not required.	NIL

For and on behalf of the Board of Directors
For Impact Automotive Solutions Limited

Date : April 27, 2015
Place: Pune

Kishor Patil
Director

Chinmay Pandit
Director

INDEPENDENT AUDITORS REPORT

To,
The Members of
M/s. Impact Automotive Solutions Ltd.
Pune

Report on Financial Statements

1. We have audited the accompanying financial statements of M/s. Impact Automotive Solutions Limited, ('the Company') as at March 31, 2015 which comprise of the Balance Sheet as at March 31, 2015, Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for Financial Statements

2. The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013('the Act') with respect to the presentation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

3. Our Responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

4. 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 that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

1. In our opinion and to the best of our information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give a true and a fair view in conformity with the accounting principles generally accepted in India:
   a. In the case of Balance Sheet, of the State of Affairs of the company as at March 31, 2015;
   b. In the case of Profit and Loss Account, of the Loss for the year ended on that date;
   c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act we report that
   a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
   c) The Balance Sheet, Statement of Profit and Loss and the cash flow statement, dealt with by this report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014.
   e) On the basis of written representations received from the directors of the company as at March 31, 2015, and taken on record by the board of directors, we report that no director is disqualified from being appointed as director as on 31st March 2015 in terms of Section 164(2) of the Act..
   f) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us;
      i) The company does not have any pending litigations on its financial position.
      ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
      iii) There is no fund required to be transferred to Investor Education and Protection Fund by the company.

Annexure to Independent Auditor's Report

Referred to in Paragraph 1 under the head of "Report on Other Legal and Regulatory Requirements" of our report of even date.

(i) In respect of its Fixed Assets:
   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of information available.
   b. According to the information given to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regards to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.

(ii) In respect of its Inventories
   a. The management has physically verified inventories during the year. In our opinion the frequency of verification is reasonable
   b. In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of business.
   c. The company has maintained proper record of inventories. As explained to us, there was no material discrepancies noticed on physical verification as compared to the book records.

(iii) In respect of the loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013;
   a. The company has not granted any loans, secured or unsecured to any companies, firms or other parties covered under register maintained under section 189 of the Companies Act 2013.
   b. In view of no loan or advance granted, Interest and any overdue amount is not applicable.

(iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assests and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

(v) The company has not accepted any deposits from the public.

(vi) The company has not commenced its manufacturing activity on commercial basis and hence the Central Government prescribed maintenance of cost records under section 148(1) the Companies Act, in respect of products of the company are not applicable.

(vii) In respect of statutory dues:
   a. According to the records of the company, undisputed statutory dues including provident fund Employees' state Insurance, Income Tax Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax Cess and other Statutory dues that are applicable to the company have been generally deposited regularly with the appropriate authorities, and according to the information and explanations given to us, no there are no undisputed amounts payable in respect of the aforesaid dues were outstanding as 31st March, 2015 for a period of more than six months from the date of becoming payable.

(viii) According to the information and explanation given to us there are no disputed dues in respect Sales Tax, Income Tax, wealth Tax, Service Tax, Excise & Custom Duty, value added tax or cess etc. other than the following
   a. Income Tax for A.Y. 2011-12- Tax Demand for ₹ 1.81 Lakhs. The company is into Appeal with CIT (Appeals), Pune, against this order. However the company has provided for the same.

(ix) According to the information and explanations given to us, the company does not have any amounts required to be transferred to investor Education and protection fund.

(x) The Company has accumulated losses of ₹ 213.60 Lakhs at the end of the current year The Company has incurred cash losses in the current year and previous year and accumulated losses are more than 50% of the Net-Worth.

(xi) According to the explanations and information given to us, the company does not have any outstanding amount payable to any bank or financial institution

(xii) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

(xiii) The company has not taken any terms loans from banks or financial institutions.

(xiv) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **Harish K. Lalwani & Associates**
Chartered Accountants
FRN 103507W

Proprietor
Harish Lalwani
M. No. 039223

Place: Pune
Dated: 27th April 2015

Balance Sheet

as at 31 March, 2015

	Note No.	As at 31st March, 2015.	As at 31st March, 2014.
		₹	₹
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital		318,100,000	298,100,000
(b) Reserves and Surplus		(213,605,170)	(145,592,579)
		104,494,830	**152,507,421**
2. Non-current liabilities			
(a) Deferred Tax Liabilities (Net)	3.3	-	-
(b) Long-term provisions	3.4	231,135	75,646
		231,135	75,646
3. Current liabilities			
(a) Trade payables	3.5	1,732,991	8,329,961
(b) Other current liabilities	3.6	3,984,904	49,110,195
(c) Short-term provisions	3.7	230,002	134,343
		5,947,897	57,574,499
TOTAL		**110,673,862**	**210,157,566**
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	3.8	33,156,030	39,300,396
(ii) Intangible assets	3.8	10,484,112	13,519,635
(b) Long-term loans and advances		29,868,458	26,779,523
		73,508,600	**79,599,554**
2. Current assets			
(a) Inventories		21,109,945	21,842,168
(b) Trade receivables	3.11	-	5,886,741
(c) Cash and cash equivalents	3.12	10,654,044	93,077,435
(d) Short-term loans and advances	3.13	5,401,274	9,751,668
		37,165,263	130,558,012
TOTAL		**110,673,862**	**210,157,566**
Significant Accounting Policies and Notes forming part of the Accounts	1,2,3		

The notes above referred form an integral part of the Balance Sheet

As per my attached report of even date

For and on behalf of Board of Directors of Impact Autmotive Solutions Limited

For Harish K. Lalwani & Associates
Chartered Accountants
FRN 103507W

Kishor Patil
Director

Chinmay Pandit
Director

Harish Lalwani
Proprietor
Membership No. '039223

Anil Patwardhan
Sr. Vice President & Head - Corporate Finance & Governance

Jaimeetkaur Sial
Company Secretary

Place : Pune
Date : 27th April, 2015

Place : Pune
Date : 27th April, 2015

Statement of Profit and Loss

for the year ended 31st March, 2015.

		Note No.	For the year ended 31st March, 2015.	For the year ended 31st March, 2014.
			₹	₹
I	**Revenue from operations (Gross)**	3.14	1,711,186	5,533,983
	Less : Excise Duty		-	-
			1,711,186	5,533,983
II	**Other income**	3.15	5,168,555	4,306,325
III	**Total revenue (I+II)**		**6,879,741**	**9,840,308**
IV	**Expenses**			
	(a) Cost of materials consumed	3.16	7,715,325	1,906,767
	(b) Purchases of Stock-in-Trade		-	4,953,719
	(c) Changes in inventories of finished goods and work-in-progress	3.17	-	(10,155)
	(d) Employee benefit expenses	3.18	18,097,502	11,170,191
	(e) Depreciation and amortisation expense	3.8	15,044,639	14,382,740
	(f) Other expenses	3.19	34,034,866	47,743,354
	Total expenses (IV)		**74,892,332**	**80,146,616**
V	**Loss for the year before tax (III - IV)**		(68,012,591)	(70,306,308)
VI	**Tax expense:**			
	(a) Current tax expense		-	-
	(b) Taxation for earlier years		-	(181,000)
	(c) Deferred tax		-	-
			-	(181,000)
VII	**Loss for the year after tax (V + VI)**		**(68,012,591)**	**(70,487,308)**
VIII	**Earnings per share (of ₹ 10/- each):**			
	(a) Basic		(2.83)	(4.06)
	(b) Diluted		(2.83)	(4.06)
	Significant Accounting Policies and Notes forming part of the Accounts	1,2,3		

The notes above referred form an integral part of the Balance Sheet

As per my attached report of even date

For and on behalf of Board of Directors of Impact Autmotive Solutions Limited

For Harish K. Lalwani & Associates
Chartered Accountants
FRN 103507W

Kishor Patil
Director

Chinmay Pandit
Director

Harish Lalwani
Proprietor
Membership No. '039223

Anil Patwardhan
Sr. Vice President & Head - Corporate Finance & Governance

Jaimeetkaur Sial
Company Secretary

Place : Pune
Date : 27th April, 2015

Place : Pune
Date : 27th April, 2015

Cash Flow Statement

for the year ended 31st March, 2015.

	Note No.	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
		₹	₹	₹	₹
A. Cash flow from operating activities					
Net Loss before extraordinary items and tax			(68,012,591)		(70,306,308)
Adjustments for:					
Depreciation and amortisation		15,044,639		14,382,740	
Interest income		(5,168,555)		(4,306,325)	
Loss on sale of asset		22,745			
Tax Expense		-		(181,000)	
			9,898,829		9,895,415
Operating loss before working capital changes			(58,113,763)		(60,410,893)
Changes in working capital:					
Adjustments for (increase) / decrease in operating assets:					
Inventories		732,223		(5,059,669)	
Short-term loans and advances		4,350,394		(7,796,491)	
Long-term loans and advances		(2,676,742)		(2,187,559)	
Trade Receivable		5,886,741		(5,836,008)	
Adjustments for increase / (decrease) in operating liabilities:					
Trade payables		(6,596,970)		6,977,892	
Other current liabilities		(45,125,291)		3,942,931	
Long Term Provisions		155,489		46,987	
Short-term provisions		95,659		48,925	
			(43,178,497)		(9,862,992)
			(101,292,259)		(70,273,885)
Net income tax (paid) / refunds			(412,193)		(412,193)
Net cash flow from / (used in) operating activities (A)			(101,704,452)		(70,686,078)
B. Cash flow from investing activities					
Capital expenditure on fixed assets, including capital advances		(5,887,494)		(4,730,819)	
Investment in Fixed Deposit		80,000,000		(70,000,000)	
Interest received		5,168,555		4,306,325	
			79,281,061		(70,424,494)
Net cash flow from / (used in) investing activities (B)			79,281,061		(70,424,494)
C. Cash flow from financing activities					
Advances against equity		-		40,000,000	
Proceeds from issue of equity shares		20,000,000		100,000,000	
			20,000,000		140,000,000
Net cash flow from / (used in) financing activities (C)			20,000,000		140,000,000
Net increase / (decrease) in Cash and cash equivalents (A+B+C)			(2,423,392)		(1,110,572)
Cash and cash equivalents at the beginning of the year			3,077,435		4,188,007
Cash and cash equivalents at the end of the year			**654,044**		**3,077,435**
* Comprises:					
Balances with banks					
(i) In current accounts			654,044		3,077,435
(ii) In deposit accounts with original maturity of less than 3 months					-
			654,044		3,077,435
Notes:					
Significant Accounting Policies and Notes forming part of the Accounts	1,2,3				
The notes above referred form an integral part of the Cash Flow Statement					

As per my attached report of even date

For Harish K. Lalwani & Associates
Chartered Accountants
FRN 103507W

Harish Lalwani
Proprietor
Membership No. '039223

Place : Pune
Date : 27th April, 2015

For and on behalf of Board of Directors
of Impact Autmotive Solutions Limited

Kishor Patil
Director

Chinmay Pandit
Director

Anil Patwardhan
Sr. Vice President & Head -
Corporate Finance & Governance

Jaimeetkaur Sial
Company Secretary

Place : Pune
Date : 27th April, 2015

Notes forming part of the Financial Statements

for the year ended 31st March, 2015.

1. Corporate Information :

Impact Automotive Solutions Limited is a public limited company incorporated under the Companies Act, 1956. The Company is wholly owned subsidiary of KPIT Technologies Limited (previously known as KPIT Cummins Infosystems Limited.)

During the financial year covered by these accounts, the Company was engaged primarily in the trial runs of its hybrid automotive product "Revolo."

Operating Cycle of the Company is considered to be of 12 months.

2. Significant Accounting Policies :

2.1 Basis of accounting and preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on accrual basis and they comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Section 133 of the Companies Act, 2013. The financial statements are presented in Indian rupees and rounded off to the nearest rupee.

2.2 Use of Estimates :

The preparation of financial statements in confirmity with the GAAP requires that the Management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities, as at the date of the financial statements, and the reported amounts of expenses during the year under report. Contingencies are recorded, when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from those estimates.

2.3 Fixed Assets and Depreciation :

a) Fixed Assets :

Fixed Assets are stated at their original cost of acquisition or construction, including incidental expenses related to acquisition, construction and installation of the concerned assets. Fixed Assets are shown net of accumulated depreciation.

b) Depreciation :

Depreciation on tangible fixed assets is provided on the straight-line method over the useful lives of the assets. The estimated useful lives for tangible assets are as follows:

	Type of Asset	Estimated useful life
i)	Plant and Machinery	10 Years
ii)	Furniture and Fixtures	8 Years
iii)	Electrical Installation	10 Years
iv)	Computers	4 Years
v)	Vehicles	5 Years
vi)	Office Equipments	10 Years

For these class of assets, based on internal assessment, the useful lives as given above are believed to best represent the period over which the assets are expected to be used. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

2.4 Preliminary Expenses :

The preliminary expenses are written off, in the year in which those are incurred.

2.5 Expenses on Issue of Shares :

Expenses on issue of shares are written off, in the year in which those are incurred.

2.6 Taxation :

Income Tax expense comprises current tax expense and deferred tax expense or saving. Provision for current tax is recognized under the taxes payable method based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for the future tax effects attributable to timing differences that result between the profits offered for income tax and the profits as per the financial statements of the Company. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Inventories :

Inventories are valued at lower of cost and net realisable value.

2.8 Cash and cash equivalents (for purposes of Cash Flow Statement) :

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.9 Cash flow statement :

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

2.10 Revenue Recognition :

a) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

b) Sale of Goods :

Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer.

c) Interest :

Interest on investments is accounted on a time proportion basis taking into account the amount invested and the rate of interest.

2.11 Employee Benefits :

i) Post-employment benefits plan :

Defined Benefit Plan

The Company's gratuity scheme is a defined benefit plan. For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with independent actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested or amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences (which cannot be carried forward) such as paid annual leave, overseas social security contributions and performance incentives.

2.12 Foreign currency transactions and translations :

Transactions in foreign currency are accounted at the exchange rates prevailing on the dates of transactions. Gains/losses arising on fluctuations in the exchange rates are dealt with in the statement of profit and loss, in the period in which they arise.

2.13 Leases :

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under non-cancellable operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.14 Impairment :

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the asset. Reversal of impairment loss is recognized immediately as income in the profit and loss account.

2.15 Earnings per share :

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item, if any. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

2.16 Provisions, Contingent Liabilities and Contingent Assets :

Provisions are made for present obligations arising out of past events, which are likely to result in an outflow of resources embodying economic benefits at an amount, which can be reliably estimated.

Items not classified as provisions as envisaged above are treated as contingent liabilities, which are disclosed by way of a note and are not provided for in the books of accounts.

Contingent assets are neither recognized nor disclosed.

		As at 31st March, 2015	As at 31st March, 2014.
		₹	₹
3.	**Notes on Accounts :**		
3.1	**Share Capital :**		
	Authorised(a) :		
	40,000,000 (40,000,000) Equity Shares of ₹ 10/- each.	400,000,000	400,000,000
	TOTAL :	**400,000,000**	**400,000,000**
	Issued, Subscribed and Paid up :		
	31,810,000 (29,810,000) Equity Shares of ₹ 10/- each, fully paid up	318,100,000	298,100,000
	TOTAL :	**318,100,000**	**298,100,000**

(a) The Company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.

(b) The reconciliation of the number of shares outstanding and the amount of paid-up share capital as at 31st March, 2015 and 31st March, 2014 is set out below.

	As at 31st March, 2015.		As at 31st March, 2014.	
	No. of Shares	**Amount in ₹**	**No. of Shares**	**Amount in ₹**
Balance at the beginning of the year	29,810,000	298,100,000	19,810,000	198,100,000
Add: Shares issued during the year	2,000,000	20,000,000	10,000,000	100,000,000
Balance at the close of the year	31,810,000	318,100,000	29,810,000	298,100,000

(c) Details of shareholders holding more than 5% of the aggregate issued and subscribed shares

Class of Shares/Name of the shareholders	As at 31st March, 2015.		As at 31st March, 2014.	
	No. of Shares	**% age**	**No. of Shares**	**% age**
Equity shares of ₹ 10/- each				
Bharat Forge Limited including its nominees	-	0%	14,905,000	50%
KPIT Technologies Ltd.	**31,810,000**	**100%**	**14,904,998**	**50%**

		As at 31st March, 2015	As at 31st March, 2014.
		₹	₹
3.2	**Reserves and Surplus :**		
	Deficit in the Statement of Profit and Loss :		
	As per last account	(145,592,579)	(75,105,271)
	Add : Loss for the year transferred from the Statement of Profit and Loss	(68,012,591)	(70,487,308)
	TOTAL :	**(213,605,170)**	**(145,592,579)**

		As at 31st March, 2015. ₹	As at 31st March, 2014. ₹
3.3	**Deferred Tax Liabilities (Net) :**		
	Deferred Tax Liabilities :		
	Depreciation	398,000	778,000
	Less : Deferred Tax Assets		
	Tax disallowances and unabsorbed depreciation	398,000	778,000
	TOTAL :	**-**	**-**
3.4	**Long - Term Provisions :**		
	Provision for employee benefits :		
	Gratuity	231,135	75,646
	TOTAL :	**231,135**	**75,646**
3.5	**Trade Payables :**		
	Micro, Small and Medium Enterprises	-	249,521
	Others	1,732,991	8,080,440
	TOTAL :	**1,732,991**	**8,329,961**
3.6	**Other Current Liabilities :**		
	Statutory liabilities	488,445	1,557,989
	Expenses reimbursable to related parties	1,761,916	4,573,968
	Accrued expenses	1,718,822	2,978,238
	Advances against equity(a)	-	40,000,000
	Other Current Liabilities	15,722	-
	TOTAL :	**3,984,904**	**49,110,195**
(a)	Represent the following amounts received as advances against future equity issue, pending statutory compliances for increase in authorised share capital.		
	KPIT Technologies Limited	-	20,000,000
	Bharat Forge Limited	-	20,000,000
	TOTAL :	-	40,000,000
3.7	**Short-Term Provisions :**		
	Provision for employee benefits :		
	Gratuity	1,573	237
	Leave encashment	228,429	134,106
	TOTAL :	**230,002**	**134,343**

3.8 Fixed Assets :

	Tangible Assets						Intangible Assets			As at 31st March, 2015.	As at 31st March, 2014.
	Leasehold Improvements	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Total Tangible Assets	Technical Knowhow	Software	Total Intangible Assets		
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
GROSS BLOCK, AT COST :											
As at 31st March, 2014.	43,748,577	8,860,299	1,590,716	4,367,572	856,014	59,423,178	19,000,000	245,575	19,245,575	78,668,753	310,423
Additions	355,361	3,569,926	910,532	-	417,230	5,253,048	-	825,846	825,846	6,078,894	73,627,511
Disposals/Adjustments		215,325				215,325				215,325	
As at 31st March, 2015.	**44,103,938**	**12,214,900**	**2,501,248**	**4,367,572**	**1,273,244**	**64,460,901**	**19,000,000**	**1,071,421**	**20,071,421**	**84,532,322**	**73,937,934**
DEPRECIATION :											
Upto 31st March, 2014.	17,117,596	1,758,397	479,607	623,656	143,526	20,122,782	5,694,795	31,145	5,725,940	25,848,722	18,370
For the financial year	8,612,812	1,350,242	244,011	873,514	102,691	11,183,270	3,800,000	61,369	3,861,369	15,044,639	11,447,612
On Disposals/Adjusments		1,180				1,180			-	1,180	
Upto 31st March, 2015.	**25,730,408**	**3,107,459**	**723,618**	**1,497,170**	**246,217**	**31,304,872**	**9,494,795**	**92,514**	**9,587,309**	**40,892,181**	**11,465,982**
NET BLOCK :											
As at 31st March, 2014.	26,630,981	7,101,902	1,111,109	3,743,916	712,488	39,300,396	13,305,205	214,430	13,519,635	52,820,031	
As at 31st March, 2015.	**18,373,530**	**9,107,441**	**1,777,630**	**2,870,402**	**1,027,027**	**33,156,030**	**9,505,205**	**978,907**	**10,484,112**	**43,640,142**	

		As at 31st March, 2015.	As at 31st March, 2014.
		₹	₹
3.9	**Long-Term Loans and Advances :**		
	(Unsecured and unless other wise stated, Good)		
	Balances with Government Authorities		
	CENVAT Credit receivable	10,720,762	8,789,373
	VAT Refund Claims	1,886,186	1,206,988
	Tax paid in advance (Net of Provisions)	679,137	574,728
	Security deposits	16,525,291	14,915,861
	Advances for capital goods/services		
	Good	57,082	1,292,573
	Doubtful	475,570	475,570
		30,344,028	27,255,093
	Less : Provision	(475,570)	(475,570)
	TOTAL :	**29,868,458**	**26,779,523**
3.10	**Inventories :**		
	(As taken, valued and certified by the Directors)		
	Raw materials, including materials in transit	21,099,790	21,794,013
	Finished goods	-	38,000
	Stock in trade	10,155	10,155
	TOTAL :	**21,109,945**	**21,842,168**
3.11	**Trade Receivables :**		
	(Unsecured, Good)		
	Over six months	-	-
	Others	-	5,886,741
	TOTAL :	**-**	**5,886,741**
3.12	**Cash and Cash Equivalents :**		
	Balances with banks		
	In current accounts	654,044	3,077,435
	In fixed deposits#	10,000,000	90,000,000
	TOTAL :	**10,654,044**	**93,077,435**
#	Maturing within 12 months		
3.13	**Short-Term Loans and Advances :**		
	(Unsecured and unless other wise stated, Good)		
	Prepaid expenses	68,514	147,151
	Advances to suppliers		
	Good	5,110,211	6,452,642
	Doubtful	120,292	308,635
	Other advances recoverable in cash or kind or for value to be received	222,550	3,151,875
		5,521,567	10,060,303
	Less : Provision	(120,292)	(308,635)
	TOTAL :	**5,401,275**	**9,751,668**

		As at 31st March, 2015.	As at 31st March, 2014.
		₹	₹
3.14	**Revenue from Operations :**		
	Sale of products	372,940	5,084,208
	Other operating revenues		
	Sale of scrap	1,338,246	449,775
	TOTAL :	**1,711,186**	**5,533,983**
3.15	**Other Income :**		
	Interest received :		
	Interest on bank deposits	1,397,715	2,581,918
	Interest on income tax refund	24,045	17,752
	Sub-lease payments received :		
	Rent	2,448,000	1,380,000
	Facility Charges	1,016,010	160,000
	Foreign exchange gains (Net)	(31,097)	-
	Sundry Balances written Back	-	166,655
	Other Income	313,882	
	TOTAL :	**5,168,555**	**4,306,325**
3.16	**Cost of Materials Consumed :**		
	Electronic components and other raw materials	5,847,319	1,725,199
	Consumable Tools and Spares	260,544	181,568
	Consumptions for KIT Testing	1,607,462	-
	TOTAL :	**7,715,325**	**1,906,767**
3.17	**Changes in Inventories of Finished Goods and Stock in Trade :**		
	Inventories at the beginning of the year		
	Finished goods	38,000	38,000
		38,000	38,000
	Inventories at the close of the year		
	Finished goods	-	38,000
	Stock in trade	10,155	10,155
		10,155	38,000
	TOTAL :	**27,845**	**-**
3.18	**Employee Benefit Expenses :**		
	Salaries and Wages	16,414,273	9,982,331
	Contributions to provident and other funds	604,752	360,650
	Staff welfare expenses	1,078,477	827,210
	TOTAL :	**18,097,502**	**11,170,191**

		As at 31st March, 2015. ₹	As at 31st March, 2014. ₹
3.19	**Other Expenses :**		
	Manufacturing expenses :		
	Contracting and labour charges	1,817,992	2,371,926
	Power and fuel	1,285,350	944,565
	Repairs and maintenance - Plant	5,523	222,161
	Water Charges	145,100	85,450
		3,253,965	**3,624,102**
	Establishment and other expenses :		
	Reimbursement for employee costs	2,682,394	14,739,477
	Rent	19,639,262	16,840,085
	Rates and Taxes	1,004,650	341,026
	Printing and stationery	165,458	113,287
	Communication	341,641	393,956
	Travelling and conveyance	862,551	2,944,325
	Professional Fees	992,557	739,663
	Business promotion	348,954	2,491,651
	Payments to auditors	85,500	196,455
	Share Issue Expenses	-	800,020
	Housekeeping	868,750	678,783
	Repairs and maintenance - Other	574,363	693,395
	Security charges	900,561	916,524
	Excise Duty	1,406,666	133,588
	Foreign exchange loss (Net)	-	58,127
	Loss on Assets Sales	22,745	
	Provision for doubtful advances	-	784,205
	Miscellaneous expenses	884,849	1,254,685
		30,780,901	44,119,252
	TOTAL :	**34,034,866**	**47,743,354**

			As at 31st March, 2015. ₹	As at 31st March, 2014. ₹
3.20	**Contingent liabilities and commitments (to the extent not provided for) :**			
	(a)	Contingent liabilities		
		The Company is defending Penalty Proceedings initiated under Sec. 274 r.w.s 271(1)(c) of the Income Tax Act, 1961 for Assessment Year 2011-2012. Liability on that account is not quantifiable.	-	-
		The Assessing Officer has disallowed certain expenses amounting to ₹ 1,730,366/- in the Assessment Order for A.Y. 2012-13. The tax impact on the said disallowance amounts to ₹ 5,34,683/- which is disclosed as Contingent Liability.	534,683	
	(b)	Estimated amount of contracts remaining to be executed on capital account and not provided for	1,015,812	1,364,826
		TOTAL :	**1,550,495**	**1,364,826**
3.21	**Payment to Auditor, inclusive of Service Tax :**			
	As auditor		85,500	196,455
		TOTAL :	**85,500**	**196,455**
3.22	**Expenditure in Foreign Currency**			
	a)	Travelling	-	974,693
	b)	C.I.F. value of imports	3,693,126	3,573,168
		TOTAL :	**3,693,126**	**4,547,861**
3.23	**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :**			
	Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information) as at the end of the year		-	249521
	Of the above, unpaid amounts, which were outstanding for more than 30 days as at the end of the year		467	-
	Estimated interest due on the above		-	-

3.24 Unhedged Foreign Exchange Exposures :

Unhedged foreign exchange exposure of the Company as at the end of the year was as under:

Particulars	Currency	Amount in Forex	Amount in a
As at 31st March, 2015.	US Dollars	₹	₹
Advance to creditors		-	-
Trade payables		-	-
TOTAL :		**-**	**-**
As at 31st March, 2014.	US Dollars		
Advance to creditors		3,300	198,329
Trade payables		54,000	3,245,389
TOTAL :		**57,300**	**3,443,718**

3.25 Disclosure pursuant to Accounting Standard – 15 (Revised) on "Employee Benefits"

Defined benefits plans :

The Defined Benefit Plans comprise of Gratuity. Gratuity is a benefit to an employee based on 15 days' last drawn salary for each completed year of service. The following table sets out the funded status of the gratuity plan and the amounts recognized in the financial statements for the year ended 31st March, 2014.

	Particulars	Year ended 31st March, 2015. ₹	Year ended 31st March, 2014. ₹
I.	**Assumptions:**		
	Discount rate [current]	8.25%	9.38%
	Salary escalation [current]	5.00%	5.00%
	Attrition rate [current]	For service 4 yrs & below 5.00 % p.a. And 2% p.a. For the rest	For service 4 yrs & below 5.00 % p.a. And 2% p.a. For the rest
II.	**Table showing change in the present value of defined benefit obligation:**		
	Present value of benefit obligation as at the beginning of the current period	75,883	28,735
	Interest cost	7,118	2,371
	Current service cost	62,791	33,396
	Transitional liability incurred during the period	-	-
	Past service cost [non vested benefit] incurred during the period	-	-
	Past service cost [vested benefit] incurred during the period	-	-
	Liability transferred in	-	-
	(liability transferred out)	-	-
	(benefit paid)	-	-
	Actuarial (gains)/losses on obligations	86,916	11,381
	Present value of benefit obligation as at the end of the current period	**232,708**	**75,883**
III.	**Table of recognition of actuarial gains/losses:**		
	Actuarial (gains)/losses on obligation for the period	86,916	11,381
	Actuarial (gains)/losses on asset for the period	-	-
	Subtotal	-	-
	Actuarial (gains)/losses recognized in income & expenses statement	**86,916**	**11,381**
IV.	**Table of recognition of transitional liability:**		
	Unrecognized transitional liability at the start of the period	-	-
	Transitional liability incurred during the period	-	-
	(transitional liability recognized during the period)	-	-
	Unrecognized transitional liability at the end of the period	-	-
V.	**Amount recognized in the balance sheet:**		
	Fair value of plan assets at the end of the period	-	-
	(present value of benefit obligation as at the end of the period)	(232,708)	(75,883)
	Funded status	(232,708)	(75,883)
	Unrecognized past service cost at the end of the period	-	-
	Unrecognized transitional liability at the end of the period	-	-
	Net (liability)/asset recognized in the balance sheet	(232,708)	(75,883)
VI.	**Expenses recognized in the income statement:**		
	Current service cost	62,791	33,396
	Interest cost	7,118	2,371
	Actuarial (gains)/losses	86,916	11,381
	Past service cost [non-vested benefit] recognized during the period	-	-
	Past service cost [vested benefit] recognized during the period	-	-
	Transitional liability recognized during the period	-	-
	Expense recognized in the income statement	156,825	47,148
VII.	**Balance sheet reconciliation:**		
	Opening net liability	75,883	28,735
	Expense as above	156,825	47,148
	Net transfer in	-	-
	(net transfer out)	-	-
	(benefit paid)	-	-
	(benefit paid on account of settlements)	-	-
	Net liability/(asset) recognized in the balance sheet	232,708	75,883
	Current Liability	1,573	237
	Non-Current Liability	231,135	122,794
VIII.	**Experience adjustment:**		
	On plan liability (gains)/losses	40,372	27,788
	On plan assets (losses)/gains	-	-

3.26 Disclosures under Accounting Standards

(i) Related Party Disclosures :

(a) Related Parties and their relationships :

Description of Relationship	**Name of Related Parties**
Holding Company	KPIT Technologies Ltd.

Note: Related parties have been identified by the Management.

(b) Transactions with Related Parties :

Particulars	Bharat Forge Limited	KPIT Technologies Limited	Total
	₹	₹	₹
Sale of components	-	372,940	372,940
	-	(5,084,208)	(5,084,208)
Reimbursement of expenses paid		5,481,004	5,481,004
		(19,143,023)	(19,143,023)
Services availed		229,214	229,214
		(343822)	-
Sublease payments, including facility charges received		3,464,010	3,464,010
	-	(1,540,000)	-
Equity Contribution, inclusive of advances against equity	-	20,000,000	20,000,000
	(70,000,000)	(70,000,000)	(140,000,000)
Technical Knowhow purchased	-	-	-
	-	-	-

(Figures in bracket are for previous year)

(c) Balances with Related Parties :

Particulars	Bharat Forge Limited	KPIT Technologies Limited	Total
Trade Receivable	-	14,453	14,453
	-	(5,886,741)	(5,886,741)
Reimbursements payable	-	1,761,916	1,761,916
	-	(4,573,968)	(4,573,968)
Advances against equity	-	-	-
	(20,000,000)	(20,000,000)	(40,000,000)

(Figures in bracket are for previous year)

(ii) Leases :

As Lessee :

The Company has entered into operating lease arrangements for factory premises and certain facilities for a period of 9 year from 1st September, 2011 to 31st August, 2020. The lease is non-cancellable for a period from 1st September, 2011 to 31st August, 2014, i.e. for 3 years. The lease agreements provide for an increase in the lease payments by a ₹ 525,000 per month with effect from 1st December, 2012 till the expiry of the lease.

		For the year ended 31st March, 2015.	For the year ended 31st March,2014.
		₹	₹
(a)	**Payments recognised in the statement of Profit and Loss :**		
	Lease payments for the year	19,587,820	16,800,000
(b)	**Minimum lease payments for Non Cancellable Leases**		
	- Not later than one year	-	7,000,000
	- Later than one year but not Later than five years		
	- Later than five years	-	-
		-	7,000,000
(c)	**Sub-lease payments received recognised in the statement of profit and loss**	3,464,010	1,540,000

3.27 Segment Reporting :

Since the Company was engaged exclusively in the setting up of its new project which is in the stage of trial runs, there are no reportable segments, as per the Accounting Standard – 17 on 'Segment Reporting'.

3.28 Deferred Tax :

The Company has recognized deferred tax asset in respect of timing differences on account of unabsorbed tax depreciation and tax disallowances to only to the extent of deferred tax liability of ₹398,000/- (Previous Year : 778,000). The Company has not recognized deferred tax asset in respect of timing differences on account of unabsorbed tax depreciation, tax disallowances and business loss aggregating to ₹36,151,000 (Previous Year : ₹36,145,000) on the considerations of prudence.

3.29 Previous year's figures have been regrouped and rearranged wherever necessary, so as to make those comparable with the current year.

As per my attached report of even date

For Harish K. Lalwani & Associates
Chartered Accountants
FRN 103507W

Harish Lalwani
Proprietor
Membership No. '039223

Place : Pune
Date : 27th April, 2015

For and on behalf of Board of Directors
of Impact Autmotive Solutions Limited

Kishor Patil
Director

Chinmay Pandit
Director

Anil Patwardhan
Sr. Vice President & Head -
Corporate Finance & Governance

Jaimeetkaur Sial
Company Secretary

Place : Pune
Date : 27th April, 2015

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KPIT Technologies Limietd
35 &36, Rajiv Gandhi Infotech Park, Phase 1, MIDC, Hinjawadi, Pune - 411 057, India
Phone: +91 - 20 - 6652 5000 | Fax: +91 - 20 - 6652 5001 | connectwithus@kpit.com