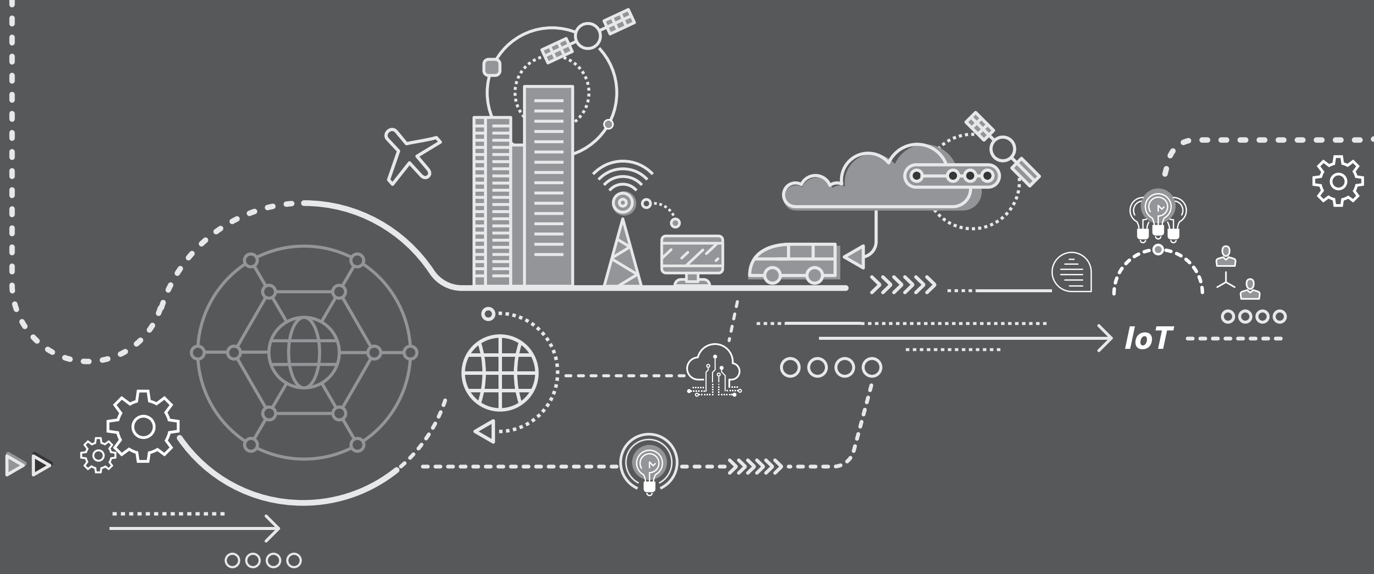
KPIT

2016-17 Financial Statement of Subsidiaries

Technology Innovation @ the confluence of **Engineering & Digital**



Technologies for a better world

Contents

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 2017

The directors present their strategic report for the year ended 31 March 2017.

REVIEW OF BUSINESS

The Directors are pleased to report that 2017 was a successful year for the company.
In the UK, the overall economic scenario was mixed in 2016-17. As compared to the previous year, the region is showing signs of stability, but the business cycles still remain to be long. Brexit vote in 2016 has brought in uncertain political and economic scenario. Further 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 2016-17 with its Auto Business showing considerable growth, but the Non-Auto business has struggled because of change in the IT Landscape, as compared to the previous financial year.The company is working on bringing in appropriate changes in the business model and we expect the company to perform well despite the difficulties and be able to achieve the revenue targets for FY 2017-18.

ON BEHALF OF THE BOARD:

P Sathe - Director

Date: April 21, 2017

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report with the financial statements of the company for the year ended 31 March 2017.

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 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

K P Patil

D Koshal

P Sathe

M O'Connor

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 Strategic Report, 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:

P Sathe - Director
Date: April 21, 2017

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 2017 on pages six 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 three, 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 2017 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

Date: April 21, 2017

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017	2016
		£	£
TURNOVER	3	30,020,341	28,326,110
Cost of sales		24,521,979	22,679,807
GROSS PROFIT		5,498,362	5,646,303
Administrative expenses		4,604,692	3,696,801
OPERATING PROFIT	5	893,670	1,949,502
Interest receivable and similar income		2,896	22,029
Interest payable and similar expenses	7	211	15,254
PROFIT BEFORE TAXATION		896,355	1,956,277
Tax on profit	8	183,318	383,390
PROFIT FOR THE FINANCIAL YEAR		713,037	1,572,887

Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017	2016
		£	£
PROFIT FOR THE YEAR		713,037	1,572,887
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		713,037	1,572,887

Balance Sheet

31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		15,452		14,724
Investments	10		10,423,997		9,137,633
			10,439,449		9,152,357
CURRENT ASSETS					
Debtors	11	11,203,506		9,206,621	
Cash at bank		1,984,460		2,881,054	
		13,187,966		12,087,675	
CREDITORS					
Amounts falling due within one year	12	10,223,268		8,548,396	
NET CURRENT ASSETS			2,964,698		3,539,279
TOTAL ASSETS LESS CURRENT LIABILITIES			13,404,147		12,691,636
PROVISIONS FOR LIABILITIES	14		1,345		1,871
NET ASSETS			13,402,802		12,689,765
CAPITAL AND RESERVES					
Called up share capital	15		10,215,966		10,215,966
Retained earnings	16		3,186,836		2,473,799
SHAREHOLDERS' FUNDS			13,402,802		12,689,765

The financial statements were authorised for issue by the Board of Directors on 21 April 2017and were signed on its behalf by:

P Sathe - Director

Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 April 2015	10,215,966	900,912	11,116,878
Changes in equity			
Total comprehensive income	-	1,572,887	1,572,887
Balance at 31 March 2016	10,215,966	2,473,799	12,689,765
Changes in equity			
Total comprehensive income	-	713,037	713,037
Balance at 31 March 2017	10,215,966	3,186,836	13,402,802

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017	2016
		£	£
Cash flows from operating activities			
Cash generated from operations	1	898,872	1,335,608
Interest paid		(211)	(15,254)
Tax paid		(509,524)	10,856
Net cash from operating activities		389,137	1,331,210
Cash flows from investing activities			
Purchase of tangible fixed assets		(6,368)	(7,497)
Purchase of fixed asset investments		(1,286,364)	-
Sale of tangible fixed assets		-	437
Interest received		2,896	22,029
Net cash from investing activities		(1,289,836)	14,969
Cash flows from financing activities			
Amount introduced by directors		4,105	(65,000)
Net cash from financing activities		4,105	(65,000)
(Decrease)/increase in cash and cash equivalents		(896,594)	1,281,179
Cash and cash equivalents at beginning of year	2	2,881,054	1,599,875
Cash and cash equivalents at end of year	2	1,984,460	2,881,054

Notes to the Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	896,355	1,956,277
Depreciation charges	6,025	5,607
Amounts owed to group undertakings	-	299,513
Finance costs	211	15,254
Finance income	(2,896)	(22,029)
	899,695	2,254,622
Increase in trade and other debtors	(2,000,990)	(1,936,006)
Increase in trade and other creditors	2,000,167	1,016,992
Cash generated from operations	898,872	1,335,608

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2017		
	31/3/17	**1/4/16**
	£	£
Cash and cash equivalents	1,984,460	2,881,054
Year ended 31 March 2016		
	31/3/16	**1/4/15**
	£	£
Cash and cash equivalents	2,881,054	1,599,875

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2017

1. STATUTORY INFORMATION

KPIT Technologies (UK) Limited is a private company, limited by shares, registered in Not specified/Other. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. 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

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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 profit or loss 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.

3. 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:

	2017	2016
	£	£
United Kingdom	22,272,442	21,021,947
Europe	6,122,214	5,773,645
United States of America	1,625,206	1,527,986
Asia	479	2,532
	30,020,341	28,326,110

4. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	10,037,991	8,946,529
Social security costs	765,747	759,725
	10,803,738	9,706,254
The average monthly number of employees during the year was as follows:		
	2017	2016
Marketing, Sales & Delivery	169	162
Administration	5	5
	174	167
	2017	2016
	£	£
Directors' remuneration	467,387	345,190
Information regarding the highest paid director is as follows:		
	2017	2016
	£	£
Emoluments etc	350,618	343,438

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Hire of plant and machinery	73,810	58,001
Depreciation - owned assets	5,640	5,607
Foreign exchange differences	(112,265)	(26,338)

6. AUDITORS' REMUNERATION

	2017	2016
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	17,830	12,600

Legal and professional fees include £23,824 for the provision of a non- audit services i.e.: payroll and taxation compliance.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	211	15,254

8. TAXATION

Analysis of the tax charge

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

	2017	2016
	£	£
Current tax:		
UK corporation tax	183,844	381,519
Deferred tax	(526)	1,871
Tax on profit	183,318	383,390

Reconciliation of total tax charge included in profit and loss

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

	2017	2016
	£	£
Profit before tax	896,355	1,956,277
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	179,271	391,255
Effects of:		
Excess of depreciation over capital allowance	(260)	(611)
tax purposes		
purposes		
Over/Under provision of tax	4,833	(9,125)
Deferred tax	(526)	1,871
Total tax charge	183,318	383,390

9. TANGIBLE FIXED ASSETS

	Short leasehold	Plant and machinery	Fixtures and fittings	Totals
	£	£	£	£
COST				
At 1 April 2016	1,023	37,660	6,746	45,429
Additions	-	6,368	-	6,368
Disposals	(1,023)	-	-	(1,023)
At 31 March 2017	-	44,028	6,746	50,774
DEPRECIATION				
At 1 April 2016	1,023	23,367	6,315	30,705
Charge for year	-	5,209	431	5,640
Eliminated on disposal	(1,023)	-	-	(1,023)
At 31 March 2017	-	28,576	6,746	35,322
NET BOOK VALUE				
At 31 March 2017	-	15,452	-	15,452
At 31 March 2016	-	14,293	431	14,724

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings
	£
COST	
At 1 April 2016	9,137,633
Additions	1,286,364
At 31 March 2017	10,423,997
NET BOOK VALUE	
At 31 March 2017	10,423,997
At 31 March 2016	9,137,633

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

KPIT Technologies GmbH

Registered office:

Nature of business: IT services

Class of shares:	% holding
Ordinary	100.00

	2017	2016
	£	£
Aggregate capital and reserves	9,686,774	5,905,470
Profit for the year	4,441,504	177,614

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.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	9,987,255	8,460,497
Amounts owed by group undertakings	248,523	544,168
Other debtors	155,354	117,505
Directors' current accounts	60,895	65,000
Prepayments and accrued income	751,479	19,451
	11,203,506	9,206,621

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Amounts owed to group undertakings	7,176,374	5,103,233
Tax	181,546	391,486
Social security and other taxes	241,400	206,790
VAT	736,630	949,541
Other creditors	479,139	593,340
Accrued expenses	1,408,179	1,304,006
	10,223,268	8,548,396

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	56,867	56,867
Between one and five years	23,694	80,561
	80,561	137,428

14. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax	1,345	1,871
		Deferred tax
		£
Balance at 1 April 2016		1,871
Unused amounts reversed during year		(526)
Balance at 31 March 2017		1,345

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
6,421,170	Ordinary	1	10,215,966	10,215,966

16. RESERVES

	Retained earnings £
At 1 April 2016	2,473,799
Profit for the year	713,037
At 31 March 2017	3,186,836

17. 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.

18. 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.

19. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 March 2017 and 31 March 2016:

	2017	2016
	£	£
P Sathe		
Balance outstanding at start of year	65,000	4,000
Amounts advanced	-	65,000
Amounts repaid	(4,105)	(4,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	60,895	65,000

20. RELATED PARTY DISCLOSURES

In accordance with Financial Reporting Standard No. 102.33.1A, transactions with other group undertakings have not been disclosed in these financial statements.

Trading and Profit and Loss Account

FOR THE YEAR ENDED 31 MARCH 2017

	2017		2016	
	£	£	£	£
Sales		**30,020,341**		**28,326,110**
Cost of sales				
Purchases	16,397,045		15,130,829	
Wages	7,587,971		7,150,595	
Social security	536,963		398,383	
		24,521,979		22,679,807
GROSS PROFIT		5,498,362		5,646,303
Other income				
Deposit account interest	2,896		496	
Interest on Intercompany loan	-		21,533	
		2,896		22,029
		5,501,258		5,668,332
Expenditure				
Directors' salaries	467,387		345,190	
Directors' social security	62,260		46,275	
Wages	1,982,633		1,450,744	
Social security	166,524		315,067	
Rent	73,810		58,001	
Rates and water	17,521		15,562	
Insurance	29,978		13,390	
Light and heat	3,493		4,079	
Office expenses	7,943		5,665	
Telephone	60,475		59,717	
Post and stationery	10,856		9,470	
Travelling	1,500,960		1,035,711	
Repairs and renewals	8,739		1,248	
Staff Welfare	10,872		8,513	
Training expenses	(5,018)		12,783	
Recruitment expenses	53,423		33,809	
Subscriptions	20,804		87,128	
Sundry expenses	12,398		(76)	
Disposal of assets	-		(20)	
Legal and professional fees	97,480		54,277	
Auditors' remuneration	17,830		12,600	
Foreign exchange losses	(112,265)		(26,338)	
Marketing expenses	20,799		59,055	
Bad debts	62,662		58,879	
		4,571,564		3,660,729
		929,694		2,007,603
Finance costs				
Bank charges	27,103		30,465	
Bank interest	211		15,254	
		27,314		45,719
Carried forward		902,380		1,961,884
Brought forward		902,380		1,961,884
Depreciation				
Plant and machinery	5,594		4,776	
Fixtures and fittings	431		831	
		6,025		5,607
NET PROFIT		896,355		1,956,277

KPIT Technologies GmbH

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

MANAGEMENT REPORT FOR THE FISCAL YEAR 2016-2017

Fundamental information about the Company

The Company provides Engineering &IT related services to its customers in Germany. The company operates primarily under two industry verticals: Automotive & Manufacturing. Customers include Major Automotive OEMs and Tier 1s. In the Manufacturing vertical, customers are primarily mid to large size German manufacturing companies and German subsidiaries 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, ADAS, Powertrain (Conventional and Electric), Infotainment & Diagnostic tooling (ODX/OTX).

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 IT, ERP (SAP, Oracle and Microsoft), ePLM and Digital Transformation Solutions (Smart Manufacturing, Asset Management, Customer Experience and Logistics / Supply Chain).

The main office of the company is located in Munich. 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 FY2017, macro-economic conditions were stable. During the year,growth was experienced, mainly in Automotive Vertical.The Company also registered growth in Manufacturing Vertical, which it started focusing in FY16. Sales have improved in the European Union since the financial downturn, but BREXIT has brought in new uncertainty which might have an impact in coming years. The E.U. auto industry is figuring out ways to better match production capacity to market demand, while simultaneously investing in new potentially strong product areas (for example, Electric Cars, Small SUVs and Crossovers) and in new automobile technologies.

Course of Business

The company forged ahead in the form of a Consultative Partner providing transformative solutions and offerings, than a mere technology service provider. 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.

In 2016-17, the Company strengthened its position in Automotive Products business further.

Financial Position

The Company recorded an overall output of Euro 20.26 Million during the year as compared to Euro 19.16Million in the previous year. Further, it reported a Net Profit of Euro 5.23Million as compared to a Net Profit of Euro 0.23Million in the previous year. The increase in Net Profit was due to Other Income occurring during the year because of Sale of Business. The Company was able to achieve the Target Revenue as the main customers did well. In this year, the Company has hired and rationalized its Sales Team in Germany and this process is expected to continue in 2017-18.

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 0.20 Million towards income tax expenses.

The Company recorded total assets of Euro 23.69Million at year-end as compared to Euro 15.76Million in the previous year. The increase in Total Assets is because of substantial investment in Non-current Financial Assets relating to sale of KPIT Medini Technologies AG and subsequent acquisition of Microfuzzy GmbH. The Company had Net Assets of Euro 11.41 Million as of 31st March 2017.

The Net Current Assets have increased by Euro 0.89Million as compared to the previous year.Out of the total current liabilities of Euro 5.54 Million, Euro 4.63 Million (84%) are relating to amounts payable to Affiliated Group Companies for services purchased from them on the basis of the existing Revenue Model. Other Current Liabilities and Provisions are adequately covered with the Company's Cash Balance of Euro 1.37 Million and Trade Receivables of Euro 7.06 Million. On an Overall Basis, the Company has a Current Ratio of 1.60as compared to 1.52in previous year.

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.

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 FY2017-18, 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 25.00 Million and a Net Profit in excess of Euro 1.50 Million from its normal business. 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 to reduce the time for realizing the invoices from customers.

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 FY2017-18. 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 Automotive Sector with its value added offerings.

Employees

As on March 31, 2017, the Company had total of 144 employees as compared to 140 as at the end of previous year.

For and on behalf of the Board of Directors

KPIT Technologies GmbH
Munich/Germany Pankaj Sathe
June 20, 2017 **Managing Director**

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, 2016 to March 31, 2017. 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. Know¬ledge 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, complieswith the legal requirements, and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development."

Munich, June22, 2017

TAP Dr. Schlumberger Krämer Pothorn & PartnermbB
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

[Original German versionsignedby:]

Krämer
Wirtschaftsprüfer
[German Public Auditor]

Balance Sheet

31 MARCH 2017

	Assets	Mar 31, 2017		Mar 31, 2016		Equity and liablities	Mar 31, 2017		Mar 31, 2016
		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 licenses in such rights and assets	309,396.66		16,114.94	1.	Capital subscribed	10,000,000.00		10,000,000.00
2.	Payments on account	591,000.08		382,513.05	2.	Outstanding contributions - not called up	-838,253.00		-2,338,253.00
		900,396.74		398,627.99				9,161,747.00	7,661,747.00
II.	**Tangible assets**				II.	**Capital reserve**		386,511.59	386,511.59
1.	Other equipment, operating and office equipment	109,923.81		156,611.78	III.	**Profit/loss carried forward**		-3,370,904.16	-759,708.03
III.	**Non-current financial assets**				IV.	**Net profit/loss for the year**		5,230,759.36	226,006.68
1.	Investments in affiliated companies	4,424,160.80		7,714,259.35				11,408,113.79	7,514,557.24
2.	Participations	9,225,294.00		0.00	B.	**Provisions**			
		13,649,454.80		7,714,259.35					
			14,659,775.35	8,269,499.12	1.	Tax provisions	97,425.67		10,686.78
B.	**Current assets**				2.	Other provisions	6,644,002.58		3,332,571.10
I.	**Inventories**							6,741,428.25	3,343,257.88
1.	Work in process	0.00		187,285.18	C.	**Liablities**			
II.	**Receivables and other assets**								
1.	Trade receivables	7,063,212.22		6,388,124.47	1.	Advance payments received on account of orders	386,728.86		235,599.45
2.	Receivables from affiliated companies	955.68		331,706.68	2.	Trade payables	7,141.90		7,141.90
3.	Other assets	582,708.45		49,054.35	3.	Liabilities to affiliated companies	4,626,786.13		4,142,362.68
		7,646,876.35		6,768,885.50	4.	Other liabilities	516,730.96		518,143.57
						- thereof from taxes: EUR 416,350.92 (previous year: EUR 454,152.24)			
III.	**Cash in hand, bank balance and checks**	1,372,513.65		535,392.92		- thereof for social security: EUR 89,259.39 (previous year: EUR 55,797.40)			
			9,019,390.00	7,491,563.60				5,537,387.85	4,903,247.60
C.	**Prepaid expenses**		7,764.54	0.00					
			23,686,929.89	15,761,062.72				23,686,929.89	15,761,062.72

Income Statement for the Period

from April 1, 2016 to March 31, 2017

			2016/2017	2015/2016
		EUR	EUR	EUR
1.	Revenues	20,262,314.50		19,241,409.88
2.	Increase or decrease in work in process	0.00		-83,210.79
			20,262,314.50	19,158,199.09
3.	Other operating income		5,328,750.23	96,677.29
4.	Cost of materials			
	a) Cost of purchased services	-8,409,925.05		-5,821,591.46
			-8,409,925.05	-5,821,591.46
5.	Staff costs			
	a) Wages and salaries	-8,021,023.87		-8,398,582.68
	b) Social security and pension costs	-1,244,425.64		-1,302,079.24
			-9,265,449.51	-9,700,661.92
6.	Depreciation and amortisation			
	a) Amortisation of intangible assets and depreciation of property, plant and equipment	-108,282.43		-84,758.00
			-108,282.43	-84,758.00
7.	Other operating expenses		-2,240,411.86	-3,216,853.19
8.	Other interest and similar income *- thereof from affiliated companies: EUR 3,002.26 (previous year: EUR 5,394.00)*		3,002.26	5,394.00
9.	Interest and similar expenses - thereof to affiliated companies: EUR -112,586.05 (previous year: EUR -57,791.84)		-112,586.05	-57,791.84
10.	**Profit from ordinary operations**		**5,457,412.09**	**378,613.97**
11.	Taxes on income		-201,488.97	-143,004.69
12.	Other taxes		-25,163.76	-9,602.60
13.	**Net profit/loss for the year**		**5,230,759.36**	**226,006.68**

FIXED ASSETS SCHEDULE as at March 31, 2017

	Assets	Acquisition- and production cost				Accumulated depreciation				Net block	
		April 1, 2016	Additions	Deductions	March 31, 2017	April 1, 2016	Additions	Deductions	March 31, 2017	March 31, 2017	March 31, 2016
		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	80,456.48	337,702.92	0.00	418,159.40	64,341.54	44,421.20	0.00	108,762.74	309,396.66	16,114.94
2.	Payments on account	382,513.05	208,487.03	0.00	591,000.08	0.00	0.00	0.00	0.00	591,000.08	382,513.05
		462,969.53	546,189.95	0.00	1,009,159.48	64,341.54	44,421.20	0.00	108,762.74	900,396.74	398,627.99
II.	**Tangible assets**										
1.	Other equipment, operating and office equipment	637,876.34	33,377.75	39,664.31	631,589.78	481,264.56	63,861.22	23,459.81	521,665.97	109,923.81	156,611.78
III.	**Non-current financial assets**										
1.	Investments in affiliated companies	7,714,259.35	0.00	3,290,098.55	4,424,160.80	0.00	0.00	0.00	0.00	4,424,160.80	7,714,259.35
2.	Participations	0.00	9,225,294.00	0.00	9,225,294.00	0.00	0.00	0.00	0.00	9,225,294.00	0.00
		8,815,105.22	9,804,861.70	3,329,762.86	15,290,204.06	545,606.10	108,282.42	23,459.81	630,428.71	14,659,775.35	8,269,499.12

Notes to the Financial Statements

For Fiscal Year 2016/2017

I. General information

KPIT Technologies GmbH has its statutory seat in Munich and is registered at the commercial register Munich under the number HRB 163288.

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) under consideration of the Bilanzrichtlinie-Umsetzungsgesetz (BilRUG) and the supplementary provisions for companies limited by shares (section 264 ff. of the HGB).

For the profit and loss statement the total cost method (Gesamtkostenverfahren) as defined by section 275 (2) of the HGB was applied.

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 invoiced according to working hours and revenues are recognized at this point. Revenue recognition of contracts of work 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 include shares in affiliated companies of KPIT Solutions GmbH, Bielefeld (formerly: HD Solutions GmbH). End of 2016 KPIT Technologies GmbH has acquired 75 % of the shares of MicroFuzzy Industrie-Elektronic GmbH, Munich.

Receivables from affiliated companies

An amount of KEUR 1 of the total receivables from subsidiaries has a remaining term of more than one year.

Equity

An amount of KEUR 1,500 was paid-in as additional equity contribution to KPIT Technologies GmbH and reduces the outstanding equity contributions.

Provisions

Other provisions amounting to KEUR 6,644 mainly include provisions for investments in subsidiaries (KEUR 5,376) especially of MicroFuzzy Industrie-Elektronic GmbH, Munich and of KPIT Solutions GmbH, Bielefeld (formerly: HD Solutions GmbH). Furthermore provisions for employee bonuses (KEUR 276), provisions of outstanding invoices (KEUR 133), provisions for leave encashment (KEUR 204) and provisions for expenses (KEUR 790).

Liabilities

Liabilities to affiliated companies amounting to KEUR 4,627 (previous year: KEUR 4,142) include liabilities to the indirect shareholder KPIT Technologies Ltd., Pune, India amounting to KEUR 3,365 (previous year: KEUR 1,478) and liabilities to the direct shareholder KPIT Technologies (UK) Limited, Ruislip Manor, Middlesex (UK) amounting to KEUR 19 (previous year: KEUR 13).

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

		March 31, 2017		
		remaining term up to 1 year	remaining term between 1 and 5 years	Fixtures and fittings
		KEUR	KEUR	KEUR
1	Advance payments received on account of orders	387	0	387
2	Trade payables	7	0	7
3	Liabilities to affiliated companies	3,627	1,000	4,627
	- thereof to shareholders	19	0	19
4	Other liabilities	516	0	516
	- thereof from taxes	416	0	416
	- thereof for social securities	89	0	89
	Total liabilities	4,537	1,000	5,535

		March 31, 2016		
		remaining term up to 1 year	remaining term between 1 and 5 years	Fixtures and fittings
		KEUR	KEUR	KEUR
1	Advance payments received on account of orders	236	0	236
2	Trade payables	7	0	7
3	Liabilities to affiliated companies	1,642	2,500	4,142
	- thereof to shareholders	13	0	13
4	Other liabilities	518	0	518
	- thereof from taxes	454	0	454
	- thereof for social securities	56	0	56
	Total liabilities	2,403	2,500	4,903

IV. Income statement disclosures

The income statement was prepared according to the total cost method.

Revenues

Broken down by geographic markets, the revenues are:

	2016/2017	2015/2016
	KEUR	KEUR
Domestic	14,704	14,450
Export	5,559	4,708
Revenue adjustments	0	83
Total	20,262	19,241

Cost of materials

The cost of purchased services results from affiliated companies with an amount of KEUR 8,203 (previous year: KEUR 5,720).

Other operating expenses

Other operating expenses of KEUR 2,240 include, inter alia, advertising and travel expenses of KEUR 718 (previous year: KEUR 785) and rental expenses of KEUR 334 (previous year: KEUR 334).

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 334.

Share property

Entity	Participation quota	Equity	Annual result	Financial statements year ending
KPIT Solutions GmbH *(formerly: HD Solutions GmbH)*	100%	671,357.85 €	-84,348.81€	March 31, 2017
MicroFuzzy Industrie-Elektronic GmbH	75%	813,531.28 €	254,361.00 €	December 31, 2016

Managing director

Managing director in fiscal year 2016/2017 was:

- Mr. Pankaj Maheshwar Sathe, 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 2016/2017 140 employees (previous year 134) were employed on average.

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

	Employees	
	2016/2017	2015/2016
Marketing	11.0	7.5
Project	119.0	117.0
Support	10.0	9.3

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, 2017.

The consolidated financial statements of KPIT Technologies Ltd., Pune/ India as of March 31, 2017 will be electronically filed with the Ministry of Corporate Affairs (Government of India) and be disclosed under Company Identification Number (CIN) L72200PN1990PLC059594.

Munich, April 21, 2017

Pankaj Maheshwar Sathe

KPIT Technologies Netherlands B.V.

Registered Office: Westerdoksdijk 423, 1013 BX, Amsterdam, The Netherlands.

Board's Report

Dear Shareholders,

Your Board of Directors is pleased to present herewith the Sixth report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2017.

Financial Results

Particulars	2016-17 Euro (Million)	2015-16 Euro (Million)
Total Income	4.41	3.08
Net Profit / (Loss) for the period	0.21	0.28

Operations

During the year under review, the income increased by 43%. However, the net profit declined by 25%.

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 Technologies Netherlands B.V.

Pune
April 21, 2017

Kishor Patil
Chairman

2. FINANCIAL STATEMENTS

2.1 BALANCE SHEET AS AT 31 MARCH 2017

After proposal resultappropriation

ASSETS

		2017		2016	
		EUR	EUR	EUR	EUR
CURRENT ASSETS					
RECEIVABLES					
Trade receivables	1	797.388		856.336	
Accruals and prepaid expenses	2	32.085		90.041	
			829.473		**946.377**
CASH	3		1.114.686		829.883
			1.944.159		**1.776.260**
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					
Issued share capital	4	500.000		500.000	
Other reserve	5	675.913		463.182	
			1.175.913		**963.182**
CURRENT LIABILITIES, ACCRUALS AND DEFERRED INCOME					
Accounts payable	6	366.584		519.263	
Taxes and social security charges	7	306.448		209.991	
Other liabilities and accrued expen-ses	8	95.214		83.824	
			768.246		**813.078**
			1.944.159		**1.776.260**

2.2 PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2016 UNTIL 31 MARCH 2017

		1 4 2016 / 31 3 2017		1 4 2015 / 31 3 2016	
		EUR	EUR	EUR	EUR
NET TURNOVER	9	4.407.336		3.082.585	
Cost of sales	10	(3.816.712)		(2.681.031)	
GROSS MARGIN			590.624		401.554
Personnel expenses		151.824		20.000	
Other operating expenses	11	152.035		68.863	
Total operating expenses			303.859		88.863
OPERATING RESULT			286.765		312.691
Interest and similar income		30		1.515	
Interest and similar expenses		(16.267)		-	
Financial income and expense			(16.237)		1.515
RESULT OF ORDINARY ACTIVITIES BEFORE TAXATION			270.528		314.206
Taxation	12		(57.797)		(31.673)
NET RESULT AFTER TAXATION			212.731		282.533

2.3 NOTES TO THE FINANCIAL STATEMENTS

ENTITY INFORMATION

REGISTERED ADDRESS AND REGISTRATION NUMBER TRADE REGISTER

The registered and actual address of KPIT Technologies Netherlands B.V. is Westerdoksdijk 423, 1013 BX in Amsterdam. KPIT Technologies Netherlands B.V. is registered at the trade register under number 54907144.

GENERAL NOTES

DESCRIPTION OF THE MOST IMPORTANT ACTIVITIES OF THE ENTITY

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 of the company starts on April 1st and ends on March 31st.

GENERAL ACCOUNTING PRINCIPLES

DESCRIPTION OF THE ACCOUNTING STANDARDS USED TO PREPARE THE FINANCIAL STATEMENTS

The financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet and the profit and loss account, references are made to the notes.

FOREIGN CURRENCY TRANSLATION

Foreign currency translation

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date.

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

ACCOUNTING POLICIES FOR THE BALANCE SHEET

RECEIVABLES

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs. Trade receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

CASH AND CASH EQUIVALENTS

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

ACCOUNTING POLICIES FOR THE INCOME STATEMENT

ACCOUNTING PRINCIPLES FOR DETERMINING THE RESULT

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

REVENUE RECOGNITION

Net turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

OTHER OPERATING EXPENSES

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

INCOME TAX EXPENSE

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set off from previous financial years and exempt profit components and after the addition of non deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

2.4 NOTES TO THE BALANCE SHEET

	CURRENT ASSETS	2017	2016
		EUR	EUR
1	**TRADE RECEIVABLES**		
	Trade receivables	797.388	857.291
	Provision for doubtful debts	-	(955)
		797.388	**856.336**

In the trade receivables an amount of EUR 26,925 is a receivable from a group company.

		2017	2016
		EUR	EUR
	OTHER RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME		
	Accrued income	20.657	78.564
	Prepaid personnel expenses	8.811	9.227
	Other prepaid expenses	2.617	2.250
		32.085	**90.041**
3	**CASH**		
	HSBC Bank	1.114.686	829.883

SHAREHOLDERS' EQUITY

4 ISSUED SHARE CAPITAL

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

		2016 / 2017	2015 / 2016
		EUR	EUR
5	**OTHER RESERVE**		
	Balance as at 1 April	463.182	180.649
	Appropriated of result	212.731	282.533
	Balance as at 31 March	675.913	463.182

CURRENT LIABILITIES, ACCRUALS AND DEFERRED INCOME

6 ACCOUNTS PAYABLE

The total amount of the trade payables are trade payables to group companies.

		2017	2016
		EUR	EUR
7	**TAXES AND SOCIAL SECURITY CHARGES**		
	Value added tax	233.608	158.040
	Wage tax	37.469	23.399
	Company tax	35.371	28.552
		306.448	**209.991**
8	**OTHER LIABILITIES AND ACCRUED EXPENSES**		
	Current account shareholder	9.975	16.614
	Accrued bonus	25.457	17.767
	Other accrued expenses	59.782	49.443
		95.214	**83.824**

CONTINGENT ASSETS AND LIABILITIES

LEASE OBLIGATIONS

The company has a operational car lease contract with a remaining period of 41 months with a total future liability of EUR 49,000.

PROPOSAL APPROPRIATION OF RESULT

The management of the company proposes to appropriate the profit as follows:

The appropriation of profit for the period 1 April 2016 until 31 March 2017 in the amount of EUR212.731 will be added to in full to the other reserves.

This proposal needs to be approved by the General Shareholders Meeting.

2.5 NOTES TO THE PROFIT AND LOSS ACCOUNT

		1 4 2016 / 31 3 2017	1 4 2015 / 31 3 2016
		EUR	EUR
9	**NET TURNOVER**		
	Domestic Sales	1.502.358	805.658
	Domestic sales back to back	2.789.590	2.276.927
	Foreign Sales	115.388	-
		4.407.336	**3.082.585**
	The foreign sales is to a group company.		
10	**COST OF SALES**		
	Cost of sales	2.492.691	2.062.141
	Recharged personnel expenses	1.324.021	618.890
		3.816.712	**2.681.031**
	WAGES AND SALARIES		
	Gross salaries	1.029.044	429.253
	Commission	39.341	25.262
	Holliday allowance	75.602	33.639
	Health insurance	33.361	20.857
		1.177.348	**509.011**
	Recharged to direct costs	(1.054.850)	(509.011)
		122.498	**-**

Average number of employees

The company had 16 employees (FTE) during the financial year under report. (2015/2016: 7).

	1 4 2016 / 31 3 2017	1 4 2015 / 31 3 2016
	EUR	EUR
SOCIAL SECURITY CHARGES		
Social security charges	110.636	60.099
Recharged to direct costs	(100.160)	(60.099)
	10.476	**-**
OTHER STAFF EXPENSES		
Subcontractor	57.551	29.816
Recruitment expenses	18.850	20.000
Other staff expenses	111.460	19.964
	187.861	**69.780**
Recharged to direct costs	(169.011)	(49.780)
	18.850	**20.000**
11 OTHER OPERATING EXPENSES		
Housing expenses	2.880	-
Selling expenses	28.774	6.975
Car expenses	14.718	-
General expenses	105.663	61.888
	152.035	**68.863**
SELLING EXPENSES		
Travelling and hotel expenses	20.216	4.445
Gifts	8.657	344
Representation expenses	856	2.186
Movement provision doubtful debtor	(955)	-
	28.774	**6.975**
GENERAL EXPENSES		
Professional fees	62.812	61.080
Other expenses	42.851	808
	105.663	**61.888**

	1 4 2016 / 31 3 2017	1 4 2015 / 31 3 2016
	EUR	EUR
12 TAXATION		
Current year	(57.797)	(68.550)
Correction previous years	-	36.877
	(57.797)	**(31.673)**

Amsterdam, 21 April 2017

Board of directors

3. OTHER INFORMATION

3.1 Statement regarding the absence of the Auditor’s report

3.1 STATEMENT REGARDING THE ABSENCE OF THE AUDITOR’S REPORT

No assignment was given to an accountant for the audit of the financial statements, as the company is exempt from this obligation pursuant to section 396, sub 7 of book 2 of the Dutch Civil Code. An audit opinion by the external accountant is therefore not included.

3.2 Statutory provision regarding appropriation of result

3.2 STATUTORY PROVISION REGARDING APPROPRIATION OF RESULT

The articles of association stipulate the Annual General Meeting of Shareholders shall determine how much of the (remaining) profit will be allocated to reserves.

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 Eleventh report on the operations of the Company together with the audited accounts for the financial year ended March 31, 2017.

Financial Results

Particulars	2016-17 Euro	2015-16 Euro
Total Income	6,596,407	14,588,134
Net Profit / (Loss) for the period	(138,110)	706,246

Operations

During the year under review, the total income of the Company decreased by 55% resulting into loss.

Audit

The Company is required by the local laws to have an independent audit firm to audit the books of accounts of the Company and to issue a report to the shareholders. Therefore, the Company appointed KPMG S.A. 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 21, 2017

Kishor Patil
Chairman

Statutory auditor's report on the financial statements

Year ended 31 March 2017

Dear Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 March 2017, on:

- the audit of the accompanying financial statements of KPIT Technologies France SAS;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the President. Our role is to express an opinion on these financial statements based on our audit.

1 Opinion on the financial statements

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 about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as 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.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 March 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

2 Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (Code de commerce), relating to the justification of our assessments, we inform you that the assessments made by us focused on the appropriateness of the accounting principles used and the overall presentation of the financial statements.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the President, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

BALANCE SHEET - ASSETS

Période du 01/04/2016 au 31/03/2017

Assets		Current year 31/03/2017 (12 months)			Past year31/03/2016 (12 months)
		Brut	Depr.& prov.	Net	Net
Fixed assets					
Concessions, patents and similar rights		**23 000,00**	10 094,45	12 905,55	20 572,52
Other tangible fixed assets		56 317,85	34 629,44	21 688,41	22 466,83
Loans		2 009 210,58	-	2 009 210,58	2,50,4450
Other fixed assets		17 898,34	17 898,34	0,49	0,23
	TOTAL (I)	**2 106 426,77**	**44 723,89**	**2 061 702,88**	**2 563 841,37**
Current assets					
Trade and related accounts		652 536,11	14 568,00	637 968,11	3 165 610,79
Other receivables					
• Debtors suppliers					5 385,78
• State, profit tax		305 627,00		305 627,00	
• State, turnover tax		130 794,14		130 794,14	503 829,79
• Other		1 716,00		1 716,00	1 146,00
Cash		523 851,22		523 851,22	947 271,79
Prepaid expenses		24 393,19		24 393,19	43 681,92
	TOTAL (II)	**1 638 917,66**	**14 568,00**	**1 624 349,66**	**4 666 926,07**
Charges to be spread over several periods	**(III)**				
Premium for redemption of bonds	**(IV)**				
Unrealized exchange losses	**(V)**				
	TOTAL ASSETS (0 à V)	**3 745 344,43**	**59 291,89**	**3 686 052,54**	**7 230 767,44**

BALANCE SHEET - EQUITY AND LIABILITIES

Période du 01/04/2016 au 31/03/2017

Equity and Liabilities	Current year 31/03/2017 (12 months)	Past year 31/03/2016 (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	2 625 013,09	1 918 767,09
Net income or loss of the tax year	**-138 110,24**	**706 246,00**
TOT AL(I)	**2 601 890,17**	**2 740 000,41**
TOTAL(II)		
Provisions for liabilities and charges		
TOTAL (III)		
Loans and debts		
Other financial borrowing and debts		
Trade notes and related accounts payable	511 945,54	2 687 163,82
Tax payable and social liabilities		
• Staff	160 961,12	207 878,06
• Payroll taxes	139 609,06	131 665,29
• State, profit tax		57 864,40
• State, turnover tax	239 872,69	1 316 689,02
• Other taxes	6 735,00	9 103,00
Other debts	25 038,96	50 243,44
Prepaid income		30 160,00
TOTAL(IV)	**1 084 162,37**	**4 490 767,03**
TOTAL LIABILITIES (I à V)	**3 686 052,54**	**7 230 767,44**

INCOME STATEMENT

Période du 01/04/2016 au 31/03/2017

Equity and Liabilities				Current year 31/03/2017 (12 months)	Current year 31/03/2016 (12 months)
		France	Export	Total	Total
Sales of manufactured services		5 442 111,44	1 133 800,14	6 575 911,58	14 588 125,42
	Net turnover	**5 442 111,44**	**1 133 800,14**	**6 575 911,58**	**14 588 125,42**
Other operating income				20 495,75	8,33
			Total operating income	**6 596 407,33**	**14 588 133,75**
Other purchases and external expenses				4 737 579,61	12 246 469,47
Taxes and assimilated payments				59 571,49	38 812,74
Salaries and wages expenses				1 343 231,12	861 273,26
Social security expenses				611 456,64	388 948,24
Operating allowances on fixed assets : depreciation allowances				15 110,37	8 131,57
Operating allowances on current assets : reserve allowances				14 568,00	
Other expenses				282,83	152,40
			Total operating expenses	**6 781 800,06**	**13 543 787,68**
			OPERATING RESULT	**-185 392,73**	**1 044 346,07**
Other holdings and capitalized receivables				54 526,58	28 054,00
Profits on foreign exchange					37 496,18
			Total financial income	**54 526,58**	**65 550,18**
Loss on foreign exchange				29,09	52 516,50
			Total financial expenses	**29,09**	**52 516,50**
			FINANCIAL RESULT	**54 497,49**	**13 033,68**
			Ordinary result before tax	**-130 895,24**	**1 057 379,75**
			Total extraordinary income		
Extraordinary operating losses				48 615,00	3 459,75
			Total extraordinary expenses	**48 615,00**	**3 459,75**
			EXTRAORDINARY RESULT	**-48 615,00**	**-3 459,75**
				-41 400,00	347 674,00
			Total Income	**6 650 933,91**	**14 653 683,93**
			Total expenses	**6 789 044,15**	**13 947 437,93**
			NET RESULT	**-138 110,24**	**706 246,00**
Including leasing of furnitures				Loss	Profit
					2 280,00

BALANCE SHEET - ASSETS

Période du 01/04/2016 au 31/03/2017

Assets	Current year 31/03/2017 (12 months)			Past year31/03/2016 (12 months)
	Brut	Depr.& prov.	Net	Net
Fixed assets				
Concessions, patents and similar rights	23 000,00	10 094,45	12 905,55	20 572,52
205000 CONCESS.BREVETS LICENCES	23 000,00		23 000,00	23 000,00
280500 AMORT.CONC.BREVETS LICENCE		10 094,45	-10 094,45	-2 427,48
Other tangible fixed assets	**56 317,85**	**34 629,44**	**21 688,41**	**22 466,83**
218100 Others installation and fiting	11 872,91		11 872,91	11 872,91
218300 Office and computer equipement	27 495,46		27 495,46	27 717,86
218310 MATERIEL SALON AUTO	1 149,98		1 149,98	
218400 Office equipment	15 799,50		15 799,50	15 799,50
281810 Amortisation of others instal		2 250,42	-2 250,42	-955,32
281830 Amortisation of office and comput		21 334,68	-21 334,68	-22 733,73
281831 AMORT MAT SALON AUTO		230,00	-230,00	
281840 AMORT. MOBILIER		10 814,34	-10 814,34	-9 234,39
Loans	**2 009 210,58**		**2 009 210,58**	**2 504 450,00**
274800 AUTRES PRETS	1 000 000,00		1 000 000,00	2 500 000,00
274900 LOAN UK	1 000 000,00		1 000 000,00	
276840 INT COUR/PRETS	8 964,00		8 964,00	4 450,00
276841 INT COURUS PRET UK	246,58		246,58	
Other fixed assets	17 898,34		17 898,34	16 352,02
275000 Deposit	17 898,34		17 898,34	16 352,02
TOTAL (I)	2 106 426,77	44 723,89	2 061 702,88	2 563 841,37
Current assets				
Trade and related accounts	**652 536,11**	**14 568,00**	**637 968,11**	**3 165 610,79**
411000 Customers and related accounts	634 261,63		634 261,63	2 832 617,69
416000 Doubt ful debs	14 568,00		14 568,00	
418100 Customers - Invoices to be issued	3 706,48		3 706,48	332 993,10
491000 Dep. doubt fu debs		14 568,00	-14 568,00	
Other receivables				
• Debtors suppliers				5 385,78
401001 Suppliers and related accounts -				5 385,78
• State, profit tax	**305 627,00**		**305 627,00**	
444000 Income tax	264 227,00		264 227,00	
444110 CARRYBACK	41 400,00		41 400,00	
• State, turnover tax	**130 794,14**		**130 794,14**	**503 829,79**
445630 VAT - deductible				491 464,66
445661 VAT - deductible	9 179,15		9 179,15	5 604,25
445710 VAT - collected by the company				4 100,41
445721 TVA COLL / ACH PREST IMM 2	119 226,06		119 226,06	
445779 TVA COLL INTRACOM				300,47
445860 VAT acc on invoice to be recei	2 388,93		2 388,93	2 360,00
• Other	1 716,00		1 716,00	1 146,00
448700 ETAT PRODUITS A RECEVOIR	1 716,00		1 716,00	1 146,00
Cash	**523 851,22**		**523 851,22**	**947 271,79**
512000 Bank SG	5 793,37		5 793,37	5 026,65
512100 Bank HSBC	518 057,85		518 057,85	942 245,14
Prepaid expenses	24 393,19		24 393,19	43 681,92
486000 Prepaid expenses	**24 393,19**		**24 393,19**	**19 840,44**
486110 Prepaid expenses unbilled				23 841,48
TOTAL (II)	**1 638 917,66**	**14 568,00**	**1 624 349,66**	**4 666 926,07**
TOTAL ASSETS	**3 745 344,43**	**59 291,89**	**3 686 052,54**	**7 230 767,44**

BALANCE SHEET - EQUITY AND LIABILITIES

Période du 01/04/2016 au 31/03/2017

Equity and Liabilities	Current year 31/03/2017 (12 months)	Past year 31/03/2016 (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	**2 625 013,09**	**1 918 767,09**
110000 Profit or loss carried forward	2 625 013,09	1 918 767,09
Net income or loss of the tax year	**-138 110,24**	**706 246,00**
TOT AL(I)	2 601 890,17	2 740 000,41
TOTAL(II)		
Provisions for liabilities and charges		
TOTAL (III)		
Loans and debts		
Other financial borrowing and debts		
Trade notes and related accounts payable	**511 945,54**	**2 687 163,82**
401000 Suppliers and related accounts	495 604,39	2 504 807,31
408100 Sup - invoices to be received	14 333,48	14 160,00
408103 Ceedit note KPINDE UNBILLED	2 007,67	168 196,51
Tax payable and social liabilities		
• **Staff**	**160 961,12**	**207 878,06**
421000 Staff remuneration payable		0,72
428200 Accrued paid holidays	81 119,44	69 965,53
428500 Accrued salary	75 517,81	78 726,00
428640 Accrued paid RTT	4 323,87	6 945,08
• **Payroll taxes**	**139609.06**	**131665.29**
431000 Social security	33 730,00	31 452,00
437100 Others social agencies (capimmec)	12 381,79	11 986,00
437500 Others social agencies (prévoyanc	3 862,54	2 752,00
437600 Others social agencies (mutuelle)	4 954,17	4 180,00
438200 Acc soc charge on paid holida	40 559,73	34 982,76
438500 Social agencies - Accrued amounts	37 758,90	39 363,00
438600 Other accrued social agencies	4 200,00	3 477,00
438650 Acc soc charge on paid RTT	2 161,93	3 472,53
• **State, profit tax**		**57 864,40**
444000 Income tax		57 864,40
• **State, turnover tax**	**239 872,69**	**1 316 689,02**
445510 Turnover tax VAT payable	47 298,00	334 634,00
445621 TVA DED/ ACH PREST IMM 20%	119 226,06	
445669 TVA DED INTRACOM		300,47
445711 TVA coll 20%	72 730,88	434 791,22
445721 TVA COLL / ACH PREST IMM 2		486 285,11
445730 TVA COLL/ACH DE PREST IC		5 179,37
445870 VAT Accrued on customers not yet	617,75	55 498,85
• **Other taxes**	**6 735,00**	**9 103,00**
448600 Others taxes Accrued amount payab	6 735,00	9 103,00
Other debts	25 038,96	50 243,44
411001 Customers and related accounts -	20 014,42	39 465,17
467300 Others debtors and creditors	5 024,54	10 778,27
Prepaid income		30 160,00
487000 Deferred income		30 160,00
TOTAL(IV)	1 084 162,37	4 490 767,03
TOTAL LIABILITIES (I à V)	3 686 052,54	7 230 767,44

Income Statement (next)

Income Statement

	France	Export	Current year 31/03/2017 (12 months) Total	Current year 31/03/2016 (12 months) Total
Sales of manufactured services	5 442 111,44	1 133 800,14	6 575 911,58	14 588 125,42
706103 Sales of services 20%	4 839 699,03		4 839 699,03	12 616 451,01
706307 PRESTATION LEGRAND 20%	438 200,00		438 200,00	405 067,02
706900 Sales 0 %		1 036 988,00	1 036 988,00	1 171 418,12
708503 Frais refacturation 20%	164 212,41		164 212,41	377 149,18
708900 Recharging cost 0 %		3 875,45	3 875,45	6 943,10
708902 Recharging cost inde		92 936,69	92 936,69	11 096,99
Net turnover	**5 442 111,44**	**1 133 800,14**	**6 575 911,58**	**14 588 125,42**
Other operating income			**20 495,75**	**8,33**
758000 Others current income			**20 495,75**	**8,33**
Total operating income			**6 596 407,33**	**14 588 133,75**
Other purchases and external expenses			4 737 579,61	12 246 469,47
604100 Project studies			10 000,00	
604900 Operationnal subcontracting			3 759 496,28	10 050 755,14
604901 ACHAT PREST KPIT GERMANY			76 804,24	116 185,42
604920 EXPENSES KPIT INDE			127 368,44	207 729,88
604923 EXPENSES KPUK			1 957,97	9 087,23
604925 EXPENSES SYSTIME USA			150 150,06	991 732,46
604926 EXPENSES KPIT USA			48 014,12	250 192,22
604927 EXPENSES CPG				39 120,41
604928 EXPENSES KPIT CANADA			33 186,21	103 913,43
606110 FOURN.NON STOCK.(ELECT.)			763,80	597,58
606300 Non invetory materials and sup			4 838,89	2 601,76
606310 Non inventory materials			410,03	354,71
606400 Administrative furniture and mate			3 756,41	1 047,61
611200 SOUS TRAITANCE KPIT UK			17 317,15	17 649,01
611300 G & A COSTS KPIT INDIA			58 244,70	123 825,76
611400 PRESTATIONS FRAIS KPIT INC				1 081,10
612200 Rent office material				2 280,00
613200 Rent and rental charges(offices)			65 515,59	65 244,51
614100 Other rent costs			9 519,46	13 276,13
615200 Maintenance and repairs			4 351,00	3 960,00
616100 Insurance			1 179,04	1 145,14
618501 Seminar, conferences			1 660,00	3 150,00
622600 Fees			60 075,50	46 747,99
622602 Others fees			7 732,00	
622605 Auditor Fees			6 089,06	5 870,77
622610 Lawyer Fees			25 507,75	15 453,70
622700 Other fees			11,71	200,52
623100 Legal publications			149,83	
623300 FOIRES ET EXPOSITION			29 208,81	
623310 Advertising, publications, public			1 600,00	12 148,00
623400 Advertising, publications, public			205,27	478,32
624800 Other transports			894,67	897,97
625100 Travel, external missions			142 140,83	97 110,64

	France	Export	Current year 31/03/2017 (12 months) Total	Current year 31/03/2016 (12 months) Total
625101 Reinvoicing travel groupe KPIT			28 416,42	
626000 Postal and telecommunications			1 572,36	982,93
626100 Costs mobil SFR			32 162,17	28 453,76
626400 FRAIS INTERNET			2 153,01	
627500 Bank and similar services			25 126,83	31 025,37
628100 Sundry				1 320,00
628400 Recruitment fees				850,00
Taxes and assimilated payments			**59 571,49**	**38 812,74**
631200 Taxes on wages and salaries (taxe			8 300,53	5 961,88
633300 Taxes on wages and salaries (form			12 750,96	7 899,86
635110 Others taxes (taxe professionnell			38 520,00	29 679,00
637100 Others taxes (organic)				-4 728,00
Salaries and wages expenses			**1 343 231,12**	**861 273,26**
641100 Wages and salaries			1 220 883,78	827 143,96
641200 Holiday pay - accruals			11 153,91	24 762,42
641210 RTT pay accruals			-2 621,21	1 799,42
641300 13è mois accruals				-8 534,54
641400 Other salaries			113 657,82	
641401 Other avantages			3 365,01	2 403,00
641510 Accrued bonus VPI			-3 208,19	13 699,00
Social security expenses			**611 456,64**	**388 948,24**
645100 Social security			365 399,67	219 306,93
645320 Others social contributions (capi			134 128,43	89 472,56
645400 Others social contributions (asse			42 439,34	29 959,00
645500 Others social contributions (prev			16 720,80	10 415,15
645510 Others social contributions (mutu			20 978,35	14 823,67
645880 Accrued soc contr / paid RTT			-1 310,60	899,70
647100 Accrued soc contr / paid holid			5 576,97	12 381,03
647500 Accrued soc			-1 604,10	6 849,50
647510 Accrued soc				-4 267,28
648000 Other benefits costs			12 431,95	7 560,53
648010 Indèmnité de repas			2 759,52	2 121,45
648100 Other staff cost			990,28	1 054,00
648300 AUTRES DEPENSES DE PERSONN			6 251,00	
648400 ESOP KPIT INDIA			10 701,03	
649000 CICE			-4 006,00	-1 628,00
Operating allowances on fixed assets : depreciation allowances			**15 110,37**	**8 131,57**
681110 Depreciation of intangible off			7 666,67	2 427,48
681120 Depreciation of tangible assets			7 443,70	5 704,09
Operating allowances on current assets : reserve allowances			**14 568,00**	
681740 Depreciation of tangible asset			14 568,00	
Other expenses			**282,83**	152,40
658000 Other current operating charges			282,83	152,40
		Total operating expenses	***6 781 800,06***	***13 543 787,68***
		OPERATING RESULT	-185 392,73	1 044 346,07
Other holdings and capitalized receivables			**54 526,58**	**28 054,00**
762000 PROD.DES AUTRES IMMO FINAN			54 526,58	28 054,00
766000 Profits on foreign exchange				**37 496,18**
		Total financial income	54 526,58	65 550,18

	France	Export	Current year 31/03/2017 (12 months) Total	Current year 31/03/2016 (12 months) Total
Loss on foreign exchange			29,09	52 516,50
666000 Foreing exchanges losses			29,09	52 516,50
		Total financial expenses	29,09	52 516,50
		FINANCIAL RESULT	54 497,49	13 033,68
		Ordinary result before tax	-130 895,24	1 057 379,75
		Total extraordinary income		
Extraordinary operating losses			48 615,00	3 459,75
671200 Penalities			48 615,00	3 459,75
		Total extraordinary expenses	48 615,00	3 459,75
		EXTRAORDINARY RESULT	-48 615,00	-3 459,75
Income tax			-41 400,00	347 674,00
695000 Income tax				347 674,00
		Total Income	6 650 933,91	14 653 683,93
		Total expenses	6 789 044,15	13 947 437,93
		NET RESULT	-138 110,24	706 246,00
			Loss	Profit
Including leasing of furnitures				**2 280,00**
612200 Rent office material				2 280,00

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 accounts for the financial year ended on March 31, 2017.

Financial Results

Particulars	2016-17 (Euro)	2015-16 (Euro)
Total Income	7,958,635	7,422,403
Net Profit / (Loss) for the period	(84,349)	320,660

Operations

During the year under review, revenues of the Company increased by 7%, however the Company incurred losses.

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 19, 2017

A. ENGAGEMENT AND EXECUTION

The management of

KPIT Solutions GmbH of Bielefeld

engaged us to prepare the annual financial statements of the Company for the period ended 31 March 2017. We carried out the engagement in April 2017.

This report was prepared on the basis of the information and documentation provided to us.

The balance sheet as of 31st March 2017, the income statement for the period from 1st April 2016 to 31st March 2017 and the notes for the financial year 2016/2017 are appended to this report as Appendices 1 to 3.

Analyses and explanations of the individual items in the balance sheet and income statement are contained in Appendix 4.

The General Contractual Conditions for German Tax Advisors, appended as Appendix 5, govern the execution of this engagement and our responsibility with respect to our client and third parties.

B. LEGAL AND TAX INFORMATION

1. Legal information

Company name:	KPIT Solutions GmbH
Domicile:	Bielefeld
Object of the Company:	The object of the Company is hardware and software distribution, software development and implementation, and similar business. The Company may establish branch offices and hold equity in other companies.
Capital stock, shareholders:	The capital stock is € 25,000.00. As of 31st March 2017, KPIT Technologies GmbH, domiciled in Munich, is the sole shareholder of KPIT Solutions GmbH. The initial contributions are fully paid up.
Management, representation:	Mr Ulrich Heinzel and Ms Sabine Schmidtke have been appointed as managing directors of KPIT Solutions GmbH. Each represents the Company individually and is exempted from the restrictions set out in BGB § 181.
General commercial power of representation:	Mr Uwe Kappmeier was granted general commercial powers of sole representation (Einzelprokura).
Articles of association:	Version as of 13 November 2010
Commercial register:	The entry was made in the commercial register of the Bad Homburg v.d. Höhe Local Court under HRB 9388 on 31 October 2003. The Company was entered in the commercial register of the Bielefeld Local Court under HRB 39769 on 30th October 2009 in connection with the relocation of its domicile.
Financial year:	The financial year begins on 1st April of each year and ends on 31st March of the following year.
Shareholders' meeting:	The resolutions adopted at the shareholders' meeting for the prior-year annual financial statements included the following: - The annual financial statements for the period ended 31.03.2016 are adopted. - The full amount of the profit for the financial year 2015/2016 is carried forward to new account. - The actions of management are ratified for the financial year 2015/2016.

2. Tax information

The Company is registered with the Bielefeld-Innenstadt Tax Office under taxpayer ID no. 305/5845/0843.

Tax notices have been presented for assessment periods up to and including 2015.

C. 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:

	31.03.2017	31.03.2016
Managing directors	2	2
Commercial employees	49	39
Auxiliary	2	0
Apprentices	5	0
	58	**41**

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.

The current financial statements were drawn up for the first time in accordance with the Accounting Standards Implementation Act (BilRUG). The following analysis was adapted to the requirements of the BilRUG; Key figures and sub-totals are therefore not always comparable with the corresponding figures in the previous year's reports.

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	31.03.2017	31.03.2016
	€ '000	**€ '000**
Fixed assets		
Intangible assets	15	16
Tangible assets	27	30
	42	**46**
Current assets, readily convertible to cash		
Trade debtors	1.564	1.34
Other assets	128	58
Cash and cash equivalents/securities	398	940
	2.09	**2.338**
Current assets, other		
Stocks	13	17
Deferred income	155	162
	168	**179**
Total assets	**2.3**	**2.563**

EQUITY AND LIABILITIES	31.03.2017	31.03.2016
	€ '000	**€ '000**
Shareholders' equity		
Share capital	25	25
Retained earnings brought forward	730	410
Profit or loss for the financial year	(84)	321
	671	**756**
Liabilities, current		
Provisions for taxations including		
deferred taxation	85	88
Other provisions	406	375
Payment received on account	37	109
Trade creditors	372	498
Other creditors including taxation		
and social security	167	142
Deferred income	562	595
	1.629	**1.807**
Total equity and liabilities	**2.300**	**2.563**

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		31.03.2017	31.03.2016
Equity ratio	%	29,2	29,5
Debt ratio	%	70,8	70,5
Debt/equity ratio	%	242,5	239,0

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		31.03.2017	31.03.2016
Fixed to total asset ratio	%	1,8	1,8
Current to total asset ratio	%	98,2	98,2

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	31.03.2017	31.03.2016
Days	67,6	60,3

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	31.03.2017	31.03.2016
Days	60,7	55,0

2.2 Development of financial position

a. Cash flow statement

The following cash flow statement shows the investing and financing activities of past financial years on the basis of "current cash and cash equivalents":

		2016/2017	2015/2016
		€ '000	**€ '000**
1	**Profit or loss for the financial year**	(84)	321
2	Depreciation, amortization and write-downs of fixed		
	assets/reversals of write-downs of fixed assets	24	24
3	Increase/decrease in non-current provisions	0	0
4	Other non-cash income/expenses	0	0
	Cash flow for the year	**(60)**	**345**
5	Increase/decrease in current provisions	28	93
6	Loss/gain on disposal of tangible assets	0	0
7	Increase/decrease in stocks, debtors and other assets	(283)	(324)
8	Increase/decrease in creditors and other liabilities	(207)	149
	Cash inflow/outflow from operating activities	**(522)**	**263**
9	Proceeds from disposal of intangible assets	0	0
10	Purchase of intangible assets	(4)	(14)
11	Proceeds from disposal of tangible assets	0	0
12	Purchase of tangible assets	(16)	(8)
13	Proceeds from disposal of financial assets	0	0
14	Purchase of financial assets	0	0
	Cash inflow/outflow from investing activities	**(20)**	**(22)**
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	0
	Cash inflow/outflow from financing activities	**0**	**0**
19	**Net change in cash funds**	**(542)**	**241**
20	Cash funds at beginning of period	940	699
21	Cash funds at end of period	**398**	**940**

Composition of cash funds:	31.03.2017	31.03.2016
	€ '000	**€ '000**
Cash at bank and in hand	398	940
Current liabilities to banks	0	0
	398	**940**

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 eased € 542 thousand in the year under review.

b. Quick ratio

Definition: Cash and cash equivalents + current debtors

Purpose: To determine the degree to which current liabilities are covered by current assets that are readily convertible to cash

Financial year	31.03.2017	31.03.2016
Days	128,3	129,4

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.

	2016/2017	2015/2016
	€ '000	€ '000
Turnover	7.737	7.238
Change in stock	(4)	(1)
Gross revenue for the period	7.733	7.237
Total purchases	(2.578)	(2.248)
Gross profit	5.155	4.989
Other operating income	222	185
Staff costs	(3.903)	(3.334)
Other operating charges	(1.533)	(1.371)
Other taxes	(20)	(8)
EBITDA	(79)	461
Depreciation written off tangible fixed assets	(24)	(24)
EBIT	(103)	437
Interest receivable	0	1
Interest payable	0	(1)
Financial result	0	0
EBT	(103)	437
Taxes on profit	19	(116)
Profit or loss for the financial year	(84)	321

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	2016/2017	2015/2016
%	(15,4)	57,8

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	2016/2017	2015/2016
%	(4,5)	17,1

d. Return on turnover

Definition: Operating result
Turnover

Purpose: To determine the return on operating turnover

Financial year	2016/2017	2015/2016
%	(1,3)	6,1

e. Staff to revenue ratio

Definition: Staff costs
Gross revenue for the period

Purpose: To determine the return on operating turnover

Financial year	2016/2017	2015/2016
%	49,1	45,0

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 financial year 2016/2017 of KPIT Solutions GmbH, showing a loss for the financial year of € 84.348,81:

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 1st April 2016 to 31st March 2017 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 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, 19th April 2017
116/fr
BPP Becker Patzelt Pollmann

(Ron Splittgerber)
German tax adviser

(Frank Wehrmann)
German tax adviser / Auditor

Balance Sheet 31 MARCH 2017

ASSETS			31.03.2017	31.03.2016
			€	€
A.	**Fixed assets**			
	I.	Intangible assets		
		1 EDP Software	14.735,00	16.116,00
	II.	Tangible assets		
		1 Fixtures, fittings, tools and equipment	27.437,00	30.092,00
B.	**Current assets**			
	I.	Stocks		
		1 Work in progress	13.500,00	17.250,00
	II.	Debtors and other assets		
		1 Trade debtors	1.565.094,53	1.339.562,31
		2 Other assets	125.953,19	56.941,53
			1.691.047,72	1.396.503,84
III.	Cheques, cash at bank and in hand, postal giro and central			
	Bank balances		398.081,52	940.389,60
C.	**Deferred income**		154.714,39	162.240,64
			2.299.515,63	**2.562.592,08**

EQUITY AND LIABILITIES			31.03.2017	31.03.2016
			€	€
A.	**Shareholders' equity**			
	I.	Share capital	25.000,00	25.000,00
	II.	Retained earnings brought forward	730.706,66	410.046,93
	III.	Profit or loss for the financial year	(84.348,81)	320.659,73
B.	**Provisions**			
	1	Provisions for taxations including deferred taxation	85.016,76	87.671,52
	2	Other provisions	405.777,18	374.677,18
			490.793,94	462.348,70
C.	**Creditors**			
	1	Payment received on account	36.707,14	109.180,00
	2	Trade creditors	371.574,83	498.146,75
	3	Other creditors including taxation and social security	166.818,12	142.172,10
			575.100,09	749.498,85
D.	**Deferred income**		562.263,75	595.037,87
			2.299.515,63	2.562.592,08

Profit and Loss Account for the business year from 01st April 2016 to 31st March 2017

EQUITY AND LIABILITIES			2016/2017	2015/2016
			€	€
1	**Turnover**		7.736.747,39	7.238.421,98
2	Increase in stock of finished goods and work in progress		(3.750,00)	(750,00)
3	Other operating income		221.887,77	183.980,76
4	Cost of materials			
	a)	Cost of raw materials, consumables and of purchased merchandise	(2.302.140,57)	(2.105.655,71)
	b)	Cost of purchased services	(275.647,59)	(142.643,51)
			(2.577.788,16)	**(2.248.299,22)**
5	Staff costs			
	a)	Wages and salaries	(3.384.491,98)	(2.884.602,47)
	b)	Social security, pensions and other benefit costs	(518.804,55)	(449.353,76)
			(3.903.296,53)	**(3.333.956,23)**
6	Depreciation			
	a)	Written off tangible and intangible fixed assets	(23.923,61)	(24.167,13)
7	Other operating charges		(1.532.949,67)	(1.370.637,00)
8	Other interest receivable and similar income		0,00	905,98
9	Interest payable and similar charges		(308,00)	(741,66)
10	Taxes on profit		18.722,41	(116.000,25)
11	Profit or loss after taxes		(64.658,40)	328.757,23
12	Other taxes		(19.690,41)	(8.097,50)
13	**Profit or loss for the financial year**		**(84.348,81)**	**320.659,73**

Notes for the financial year 2016/2017

I. General disclosures

The company KPIT Solutions GmbH is based in Bielefeld. It is registered in the Commercial Register of the Bielefeld Local Court under HR B 39769.

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 31st March 2017 and the income statement for the period from 1st April 2016 to 31st March 2017 were prepared using the classification system for large corporations and the supplementary provisions set out in the articles of association.

The current financial statements were drawn up for the first time in accordance with the Accounting Standards Implementation Act (BilRUG). For the purpose of establishing the comparability of the effects arising from the application of § 277 Abs. 1 HGB n.F., turnover figures of the previous year have been adjusted (§ 265 Abs. 2 Satz 3 HGB):

	2016/2017	2015/2016
	T€	T€
Turnover before application of BilRUG	7.698	7.197
Turnover after application of BilRUG	7.737	7.238

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 prepaid expenses include expenses before the balance sheet date, which represent expenses for a specific period after that date. These are recorded using the nominal value and the liquidation of the item is made on a straight-line basis in accordance with the timing.

6. Shareholders' equity is recognised at par value.

7. 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)).

8. Liabilities are carried at their settlement amount.

9. The deferred income accounts relate to revenue before the balance sheet date that represents income for a certain period after that date. These are recorded using the nominal value and the liquidation of the item is made on a straight-line basis in accordance with the timing.

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					Depreciation					Write-ups	Carrying amounts	
		As of 01.04.2016	Additions	Disposals	Reclassifications	As of 31.03.2017	As of 01.04.2016	Additions	Disposals	Reclassifications	As of 31.03.2017	Financial year	As of 31.03.2017	As of 31.03.2016
		€	€	€	€	€	€	€	€	€	€	€	€	€
A.	Fixed assets													
1	EDP Software	25.085,25	3.655,38	0,00	0,00	28.740,63	8.969,25	5.036,38	0,00	0,00	14.005,63	0,00	14.735,00	16.116,00
	Total intangible assets	**25.085,25**	**3.655,38**	**0,00**	**0,00**	**28.740,63**	**8.969,25**	**5.036,38**	**0,00**	**0,00**	**14.005,63**	**0,00**	**14.735,00**	**16.116,00**
II.	Tangible assets													
1	Fixtures, fittings, tools and equipment	111.919,16	16.257,23	50.489,93	0,00	77.686,46	81.827,16	18.887,23	50.464,93	0,00	50.249,46	0,00	27.437,00	30.092,00
	Total tangible assets	**111.919,16**	**16.257,23**	**50.489,93**	**0,00**	**77.686,46**	**81.827,16**	**18.887,23**	**50.464,93**	**0,00**	**50.249,46**	**0,00**	**27.437,00**	**30.092,00**
	Total fixed assets	**137.004,41**	**19.912,61**	**50.489,93**	**0,00**	**106.427,09**	**90.796,41**	**23.923,61**	**50.464,93**	**0,00**	**64.255,09**	**0,00**	**42.172,00**	**46.208,00**

3. The following statement of changes in liabilities lists the maturities and collateral provided for liabilities as of 31st March 2017:

Balance sheet itemas of 31.03.2016	**Total amount**	**Within 1 year**	**Of which due**	
			1 to 5 years	**Over 5 years**
	€ '000	€ '000	€ '000	€ '000
Payment received on account	37	37	0	0
Trade creditors	372	372	0	0
Other creditors including taxation and social security	166	165	0	1
Total	**575**	**574**	**0**	**1**

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 financial year 2016/2017.

Bielefeld, 19th April 2017

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 2017

I. Explanation of the balance sheet as of 31 March 2017

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

Assets

A. Fixed assets

			Amount in €	Amount in €
I.	**Intangible assets**			
	1	**EDP Software**		14.735,00
		31.03.2016		16.116,00
		Changes disclosed in statement of changes in fixed assets		
		Composition of item:	**31.03.2017**	**31.03.2016**
		EDP Software	14.735,00	16.116,00
			14.735,00	**16.116,00**
II.	**Tangible assets**			
	1	**Fixtures, fittings, tools and equipment**		27.437,00
		31.03.2016		30.092,00
		Changes disclosed in statement of changes in fixed assets		
		Composition of item:	**31.03.2017**	**31.03.2016**
		Other means of transport	1,00	1,00
		Factory equipment	9.146,00	4.649,00
		Office equipment	9.402,00	12.487,00
		Office furniture	2.699,00	3.717,00
		Trade fixtures	4.760,00	7.332,00
		Low-value assets	0,00	0,00
		Low-value assets (pooled item)	1.429,00	1.906,00
			27.437,00	**30.092,00**
B.	**Current assets**			
I.	**Stocks**			
	1	Work in progress		13.500,00
		31.03.2016		17.250,00
		Composition of item:	**31.03.2017**	**31.03.2016**
		Services in progress	13.500,00	17.250,00
			13.500,00	**17.250,00**
II.	**Debtors and other assets**			
	1	**Trade debtors**		1,339,562.31
		31.03.2016		1,085,495.11
	2	**Other assets**		125.953,19
		31.03.2016		56.941,53
		Composition of item:	**31.03.2017**	**31.03.2016**
		Other assets	21.704,67	16.610,28
		Receivables from health insurance companies	0,00	2.468,76
		Security deposits	27.103,00	23.878,00
		Advances to employees	0,00	1.600,45
		Trade tax overpayments	4.052,00	2.252,00
		Corporate income tax refund	45.251,65	0,00
		Creditors with debit accounts	27.841,87	10.132,04
			125.953,19	**56.941,53**

		Amount in €	Amount in €
III.	**Cheques, cash at bank and in hand, postal giro and central bank balances**		398.081,52
	31.03.2016		940.389,60
	Composition of item:	**31.03.2017**	**31.03.2016**
	Cash on hand Bielefeld	121,68	54,95
	Cash on hand Nuremberg	100,00	100,00
	HypoVereinsbank # 15433962	397.859,84	940.234,65
		398.081,52	**940.389,60**
C.	**Deferred income**		154.714,39
	31.03.2016		162.240,64
Equity and liabilities			
A.	**Shareholders' equity**		
I.	**Share capital**		25,000.00
	31.03.2016		25,000.00
II.	**Retained earnings brought forward**		730.706,66
	31.03.2016		410.046,93
	Changes in item:	**31.03.2017**	**31.03.2016**
	As of 01.04.	410.046,93	357.115,56
	Net income for the prior year	320.659,73	52.931,37
	As of 31.03.	730.706,66	410.046,93
III.	**Profit or loss for the financial year**		-84.348,81
	31.03.2016		320.659,73
B.	**Provisions**		
1	**Steuerrückstellungen**		85.016,76
	31.03.2016		87.671,52
	Composition of item:	**31.03.2017**	**31.03.2016**
	Provision for trade tax	44.498,00	44.498,00
	Provision for corporate tax	40.518,76	43.173,52
		85.016,76	**87.671,52**
2	**Other provisions**		405.777,18
	31.03.2016		374.677,18
	Composition of item:	**31.03.2017**	**31.03.2016**
	Provisions for staff costs	220.145,30	193.633,50
	Other provisions	74.320,00	78.513,03
	Provisions for holiday (salaries)	66.611,88	60.030,65
	Provisions for warranties	33.400,00	31.200,00
	Provisions for the retention of records	3.300,00	3.300,00
	Provisions for period-end closing and audit	8.000,00	8.000,00
		405.777,18	**374.677,18**
C.	**Creditors**		
1	**Payment received on account**		36.707,14
	31.03.2016		109.180,00
2	**Trade creditors**		371.574,83
	31.03.2016		498.146,75
	Per trade creditor balance list		
3	**Other creditors including taxation and social security**		166.818,12
	31.03.2016		142.172,10
	Composition of item:	**31.03.2017**	**31.03.2016**
	Tax office/value-added tax	93.658,98	89.751,14
	Security deposits received	850,00	850,00
	Wage and church tax	59.585,34	44.701,92
	Capital accumulation	0,00	27,44
	Social security	12.723,80	6.841,60
		166.818,12	**142.172,10**
D.	**Deferred income**		562.263,75
	31.03.2016		595.037,87

II. Explanation of income statement from 1 April 2016 to 31 March 2017

		Amount in €	Amount in €
1	**Turnover**		7.736.747,39
	01.04.2015 -31.03.2016		7.238.421,98
	Composition of item:	**2016/2017**	**2015/2016**
	Turnover from reversal of deferred income	32.774,12	261.224,15
	Intercompany Revenue Offshore	0,00	105.204,70
	Turnover from services under UStG § 13b	56.878,76	32.499,22
	Non-taxable turnover in third countries	101.814,75	123.775,95
	KPIT US Revenue	18.872,20	0,00
	Turnover - maintenance	2.079.681,96	1.747.133,80
	Turnover - service	4.285.285,75	4.009.485,36
	Turnover - licences	1.128.035,30	923.395,11
	Cash discounts granted	(5.171,45)	(5.543,31)
	Real estate income	38.576,00	41.247,00
		7.736.747,39	**7.238.421,98**
2	**Decrease in stock of finished**		
	goods and work in progress		3.750,00
	01.04.2015- 31.03.2016		750,00
3	**Other operating income**		221.887,77
	01.04.2015- 31.03.2016		183.980,76
	Composition of item:	**2016/2017**	**2015/2016**
	Income from currency translation	4.501,63	0,00
	Other income	0,00	3.192,45
	Income from reversal of provisions	0,00	2.096,82
	Insurance recoveries	20.264,41	11.766,95
	Payments in kind	197.121,73	166.924,54
		221.887,77	**183.980,76**
4	**Cost of materials**		
a)	**Cost of raw materials, consumables and of**		
	purchased merchandise		2.302.140,57
	01.04.2015 - 31.03.2016		2.105.655,71
	Composition of item:	**2016/2017**	**2015/2016**
	Maintenance/licences	2.302.140,57	2.105.657,66
	Cash discounts received	0,00	(1,95)
		2.302.140,57	**2.105.655,71**
b)	**Cost of purchased services**		275.647,59
	01.04.2015 - 31.03.2016		142.643,51
	Composition of item:	**2016/2017**	**2015/2016**
	Outsourced services	275.647,59	142.643,51
		275.647,59	**142.643,51**
5	**Staff costs**		
a)	**Wages and salaries**		3.384.491,98
	01.04.2015 - 31.03.2016		2.884.602,47
	Composition of item:	**2016/2017**	**2015/2016**
	Salaries	2.341.857,69	1.847.830,24
	Intercompany Personnel Costs	111.641,45	259.573,80
	Bonuses/commissions paid	276.996,40	255.953,19
	Sales Bonus	201.553,13	120.965,72
	Managing director salaries	218.908,00	210.408,00
	Fringe benefits	228.576,00	190.207,00
	Employer expense reimbursement	(4.250,55)	(13.146,87)
	Capital accumulation benefits	3.094,00	3.774,00
	Commuter expense reimbursement	5.998,86	8.433,18
	Other staff costs	117,00	604,21
		3.384.491,98	**2.884.602,47**

		Amount in €	Amount in €
b)	**Social security, pensions and other benefit**		
	costs		518.804,55
	01.04.2015- 31.03.2016		449.353,76
	Composition of item:	**2016/2017**	**2015/2016**
	Statutory social security costs	482.637,10	414.959,35
	Contributions to statutory accident insurance scheme	9.121,85	12.000,00
	Fringe benefits	12.269,52	12.223,86
	Pensions	8.084,20	9.334,55
	Flat rate tax on insurances	6.691,88	836,00
		518.804,55	**449.353,76**
6	**Depreciation**		
a)	**Written down tangible and intangible**		
	fixed assets		23.923,61
	01.04.2015- 31.03.2016		24.167,13
	Composition and changes disclosed in statement of changes in fixed assets		
7	**Other operating charges**		1.532.949,67
	01.04.2015- 31.03.2016		1.370.637,00
	Zusammensetzung der Position:	**2016/2017**	**2015/2016**
	Costs of premises	175.731,51	175.390,52
	Repairs and maintenance	11.660,89	6.872,89
	Insurance, contributions and levies	17.546,28	13.278,09
	Vehicle costs	535.654,19	486.393,00
	Advertising and travel costs	548.688,69	429.932,72
	Incidental distribution expenses	7.606,30	35.735,97
	Miscellaneous operating charges	234.476,81	220.493,81
	Impairment losses or losses on disposal of current assets	25,00	0,00
	Other expenses incurred during ordinary activities	1.560,00	2.540,00
		1.532.949,67	**1.370.637,00**
	Costs of premises	**2016/2017**	**2015/2016**
	Costs of premises	523,79	925,12
	Rent	154.906,13	154.423,39
	Gas, power, water	10.765,07	8.994,47
	Cleaning	8.952,04	10.415,37
	Maintenance of operating premises	584,48	632,17
		175.731,51	**175.390,52**
	Repairs and maintenance	**2016/2017**	**2015/2016**
	Maintenance of company premises	1.006,26	251,26
	Maintenance costs for hardware and software	10.654,63	6.621,63
		11.660,89	**6.872,89**
	Insurance, contributions and levies	**2016/2017**	**2015/2016**
	Disabled persons equalisation levy	5.280,00	1.380,00
	Insurance	8.265,32	7.894,12
	Contributions	4.000,96	4.003,97
		17.546,28	**13.278,09**
	Vehicle costs	**2016/2017**	**2015/2016**
	Vehicle costs	535.654,19	486.393,00
		535.654,19	**486.393,00**

	Amount in €	Amount in €
Advertising and travel costs	**2016/2017**	**2015/2016**
Advertising costs	141.991,14	52.604,85
Entertainment costs	8.409,93	8.864,46
Entertainment, in-house	1.451,89	1.507,67
Conference costs	13.096,56	681,50
Non-deductible entertainment costs	3.604,25	3.799,06
Employee travel cost	380.134,92	362.475,18
	548.688,69	**429.932,72**
Incidental distribution expenses	**2016/2017**	**2015/2016**
Sales commissions	5.406,30	33.835,97
Warranty expenses	2.200,00	1.900,00
	7.606,30	**35.735,97**
Miscellaneous operating charges	**2016/2017**	**2015/2016**
Currency translation losses	112,46	0,00
Tax-deductible late filing penalties and administrative fines	18,00	18,00
Mietleasing bewegliche Wirtschaftsgüter	90.865,63	73.057,04
Other operating charges	2.265,55	630,95
Postage	4.354,01	3.964,03
Telephone	82.836,79	76.618,32
Fax and internet costs	1.006,29	4.187,84
Office supplies	12.322,72	14.943,10
Magazines, books	2.513,27	2.148,37
Training costs	2.317,25	3.462,80
Legal consulting expenses	19.224,43	19.742,39
Bookkeeping expenses	9.146,89	10.180,60
Period-end closing costs	5.923,00	8.000,00
Incidental costs of monetary transactions	1.570,52	3.540,37
	234.476,81	**220.493,81**
Impairment losses or losses on disposal of current assets and transfers to bad debt allowances	**2016/2017**	**2015/2016**
Disposal of property, plant and equipment at book value	25,00	0,00
	25,00	**0,00**
Other expenses incurred during ordinary activities	**2016/2017**	**2015/2016**
Donations	1.560,00	2.540,00
	1.560,00	**2.540,00**

		Amount in €	Amount in €
8	**Other interest receivable and similar income**		0,00
	01.04.2015- 31.03.2016		905,98
	Composition of item:	**2016/2017**	**2015/2016**
	Other interest and similar income	0,00	622,98
	Interest receivable for AO § 233a, EStG § 4 (5b)	0,00	283,00
		0,00	**905,98**
9	**Interest payable and similar charges**		308,00
	01.04.2015- 31.03.2016		741,66
	Interest expense on short-term debt		
10	**Taxes on profit**		(18.722,41)
	01.04.2015- 31.03.2016		116.000,25
	Composition of item:	**2016/2017**	**2015/2016**
	Trade tax	0,00	46.298,00
	Corporate income tax	0,00	66.068,00
	Solidarity surcharge	0,00	3.633,74
	Corporate income tax for previous years	0,00	0,51
	Corporate income tax refunds for prior years	(17.884,76)	0,00
	Solidarity surcharge for previous years	(837,65)	0,00
		(18.722,41)	**116.000,25**
11	**Earnings after taxes**		(64.658,40)
	01.04.2015- 31.03.2016		328.757,23
12	**Other taxes**		19.690,41
	01.04.2015- 31.03.2016		8.097,50
		2016/2017	**2015/2016**
	Composition of item:		
	Backpayments of other taxes for prior years	11.466,05	0,00
	Value-added tax for previous years	0,00	36,00
	Vehicle tax	8.224,36	8.061,50
		19.690,41	**8.097,50**
13	**Loss for the financial year**		84.348,81
	01.04.2015- 31.03.2016		(320.659,73)

MicroFuzzy Industrie-Elektronic GmbH

Registered Office: Taunusstr. 38 80807, Munich, 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 accounts for the period December 1, 2016 to March 31, 2017.

Financial Results

Particulars	Period from December 1, 2016 to March 31, 2017 Euro (Million)
Total Income	4.26
Net Profit / (Loss) for the period	0.02

75% shares of the Company were acquired by KPIT Technologies GmbH effective November 30, 2016 and therefore, this was the first financial year of the Company as a subsidiary of KPIT Technologies Limited. Hence, 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 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
MicroFuzzy Industrie-Elektronic GmbH

Place: Munich
Date: 12 April 2017

Markus Waidelich
Managing Director

Balance Sheet

as at 31 March 2017

(Amount in € million)

	Notes	31 March 2017
ASSETS		
Non-current assets		
Property, plant and equipment	1A	0.55
Other intangible assets	1B	0.03
Financial assets		
Investments	2	0.01
Loans	3	0.06
Income tax assets (net)		0.24
Other non-current assets	4	0.04
		0.93
Current Assets		
Financial assets		
Trade receivables	5	2.58
Cash and cash equivalents	6	0.12
Loans	7	0.01
Unbilled revenue		0.50
Other current assets	8	0.09
		3.30
TOTAL ASSETS		**4.23**

(Amount in € million)

	Notes	31 March 2017
EQUITY AND LIABILITIES		
Equity		
Equity share capital		0.03
Other equity		0.95
		0.98
Liabilities		
Current liabilities		
Financial liabilities		
Borrowings	9	0.99
Trade payables		1.30
Other financial liabilities	10	0.60
Other current liabilities	11	0.31
Provisions	12	0.05
		3.25
TOTAL EQUITY AND LIABILITIES		**4.23**
Notes referred to above form an integral part of the financial statements	1-20	

For and on behalf of the Board of Directors of

Micro Fuzzy Industrie-Elektronic GmbH

Markus Waidelich
Managing Director

Place: Munich
Date: 12 April 2017

Statement of Profit and Loss

for the period from 01 December 2016 to 31 March 2017

(Amount in € million)

	Notes	For the period from 01 December 2016 to 31 March 2017
Revenue from operations	13	4.23
Other income	14	0.03
Total income		**4.26**
Expenses		
Employee benefits expense	15	2.21
Finance costs	16	0.04
Depreciation and amortization expense	1	0.09
Other expenses	17	1.86
Total expenses		**4.20**
Profit before tax		**0.06**
Tax expense		
Current tax		0.04
Profit for the period		**0.02**
Notes referred to above form an integral part of the financial statements	1-20	

For and on behalf of the Board of Directors of
Micro Fuzzy Industrie-Elektronic GmbH

Markus Waidelich
Managing Director

Place: Munich
Date: 12 April 2017

Statement of Changes in Equity

for the period from 01 December 2016 to 31 March 2017

(Amount in € million)

		Reserves & surplus Retained earnings
A	**Equity share capital**	
	Balance as at 01 December 2016	0.03
	Changes in equity share capital during the period	-
	Balance as at 31 March 2017	**0.03**
B	**Other equity**	
	Balance as on 01 December 2016	0.93
	Profit for the period	0.02
	Balance as on 31 March 2017	**0.95**
	Notes referred to above form an integral part of the financial statements	1-20

For and on behalf of the Board of Directors of
Micro Fuzzy Industrie-Elektronic GmbH

Markus Waidelich
Managing Director

Place: Munich
Date: 12 April 2017

1A Property, plant and equipment
Changes in the carrying amount of property, plant and equipment

(Amount in € million)

	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross carrying amount as at 01 December 2016	**0.86**	**0.12**	**0.10**	**0.02**	**1.10**
Additions	0.12	0.05	-	0.01	0.18
Disposal/retirements/derecognition	0.03	-	0.02	-	0.05
Gross carrying amount as at 31 March 2017	**0.95**	**0.17**	**0.08**	**0.03**	**1.23**
Accumulated depreciation as at 01 December 2016	**0.51**	**0.01**	**0.08**	**0.01**	**0.61**
Depreciation	0.06	0.01	0.00	0.02	0.09
Disposal/retirements/derecognition	-	-	0.02	-	0.02
Accumulated depreciation as at 31 March 2017	**0.57**	**0.02**	**0.06**	**0.03**	**0.68**
Carrying amount as at 01 December 2016	**0.35**	**0.11**	**0.02**	**0.01**	**0.49**
Carrying amount as at 31 March 2017	**0.38**	**0.15**	**0.02**	**-**	**0.55**

1B Other intangible assets

Changes in the carrying amount of other intangible assets

(Amount in € million)

	Other than Internally Generated Software	Total
Gross carrying amount as at 01 December 2016	-	-
Additions	0.03	0.03
Gross carrying amount as at 31 March 2017	**0.03**	**0.03**
Accumulated amortisation as at 01 December 2016	-	-
Amortisation	0.00	-
Accumulated amortisation as at 31 March 2017	-	-
Carrying amount as at 01 December 2016	-	-
Carrying amount as at 31 March 2017	**0.03**	**0.03**

(Amount in € million)

2	**Non current investments**	**31 March 2017**
	Investments (Unquoted)	
	Investments in equity instruments of other entities measured at fair value through profit or loss	
	Munchner bank 100 (Previous year Nil) equity share of € 50 each fully paid up	0.01
		0.01

(Amount in € million)

3	**Loans**	**31 March 2017**
	(Unsecured, considered good unless otherwise stated)	
	Loans and advances to other than related parties	
	Security deposits	0.06
		0.06

(Amount in € million)

4	**Other non-current assets**	**31 March 2017**
	(Unsecured, considered good unless otherwise stated)	
	Advance rentals	0.04
		0.04

(Amount in € million)

5	**Trade receivables**	**31 March 2017**
	(Unsecured)	
	Considered good	2.58
	Considered doubtful	0.02
		2.60
	Less: Allowances for doubtful trade receivables	0.02
		2.58

(Amount in € million)

6	**Cash and bank balances**	**31 March 2017**
	Cash and cash equivalents	
	Cash on hand	0.00*
	Balances with banks	
	- In current accounts	0.12
		0.12

* Since denominated in € Million

(Amount in € million)

7	**Loans**	**31 March 2017**
	(Unsecured, considered good unless otherwise stated)	
	Loans and advances to other than related parties	
	Other loans and advances	
	- Security deposits	0.01
		0.01

(Amount in € million)

8	**Other current assets**	**31 March 2017**
	(Unsecured, considered good unless otherwise stated)	
	Employee advances	0.08
	Advance rentals	0.00*
	Prepaid expenses	0.01
		0.09

* Since denominated in € Million

(Amount in € million)

9	**Short term borrowings**	**31 March 2017**
	Loans repayable on demand	
	- From other than banks	
	Working capital loans from other than banks	0.99
		0.99

(Amount in € million)

10	Other current financial liabilities	31 March 2017
	Other than trade payables :	
	Accrued employee costs	0.60
		0.60

(Amount in € million)

11	Other current liabilities	31 March 2017
	Statutory remittances	0.31
		0.31

(Amount in € million)

12	Short-term provisions	31 March 2017
	Other provisions	
	- Provision for warranty	0.05
		0.05

(Amount in € million)

13	Revenue from operations	31 March 2017
	Software services	4.23
		4.23

(Amount in € million)

14	Other income	31 March 2017
	Interest income	0.01
	Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	0.02
		0.03

(Amount in € million)

15	Employee benefits expense	31 March 2017
	Salaries, wages and incentives	2.21
	Staff welfare expenses	0.00*
		2.21

* Since denominated in € million.

(Amount in € million)

16	Finance costs	31 March 2017
	Interest expense	0.04
		0.04

(Amount in € million)

17	Other expenses	31 March 2017
	Cost of service delivery (net)	0.06
	Cost of professional sub-contracting (net)	1.16
	Recruitment and training expenses	0.01
	Power and fuel	0.02
	Rent	0.10
	Repairs and maintenance -	
	- plant & equipment	0.00*
	- others	0.01
	Insurance	0.02
	Communication expenses (net)	0.02
	Legal and professional fees	0.13
	Marketing expenses	0.16
	Foreign exchange loss (net)	0.01
	Bad debts written off	0.13
	Provision for doubtful debts, unbilled revenue and advances (net)	(0.14)
	Miscellaneous expenses (net)	0.17
		1.86

* Since denominated in € million.

Note:
Certain expenses are net of recoveries/reimbursements from customers.

18 Company overview

MicroFuzzy Industrie-Elektronic GmbH ("the Company") is a company incorporated in Munich, Germany on 23 November 1993. With effect from 01 December 2016, the Company is a subsidiary of KPIT Technologies GmbH, Germany.

The Company is an Engineering services company, focused on powertrain solutions and more so on electric powertrain. This Germany headquartered Automotive Engineering services company, has over 20+ years of proven engineering expertise on engineering/ powertrain systems, Drivetrain Electronics. It has core expertise in the areas of Software development for E-Mobility, E/E Architecture, End to End Test and Validation solutions for powertrain components. It has marque customers in Germany and expanding base in Europe and beyond.

19 Warranty

The movement in the provision for warranty is as under:

(Amount in € million)

Particulars	For the period from 01 December 2016 to 31 March 2017
Carrying amount as at 01 December 2016	**0.02**
Additional provision made during the year	**0.03**
Amount paid/settled/utilized during the year	**Nil**
Unused amount reversed during the year	**Nil**
Carrying amount at the end of the year	**0.05**

20 Contingent liabilities

The Company has no liabilities of contingent nature outstanding as at 31 March 2017.

For and on behalf of the Board of Directors of

Micro Fuzzy Industrie-Elektronic GmbH

Markus Waidelich
Managing Director

Place: Munich
Date: 12 April 2017

KPIT Infosystems Incorporated

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

Board's Report

Dear Shareholders,

Your Board of Directors is pleased to present herewith the Sixteenth report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2017.

Financial Results

Particulars	2016-17 USD (Million)	2015-16 USD (Million)
Total Income	196.67	183.93
Net Profit / (Loss) for the period	(1.95)	6.73

Operations

During the year under review, income of the Company increased by 7%. However, the Company incurred loss during the year.

Investment

During the year under review, the Company has advanced R$ 2,900,233 to KPIT Technologies Soluções em Informática Ltda, a wholly owned subsidiary of the Company, towards future capital increase.

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 Infosystems Incorporated

Pune
April 22, 2017

Kishor Patil
Chairman

Balance Sheet

as at 31 March 2017

(Amount in USD million)

	Note	31 March 2017	31 March 2016	01 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3A	0.94	1.03	0.45
Goodwill	3B	-	-	-
Intangible fixed assets	3C	0.28	0.13	-
Intangible assets under development		0.04	-	-
Financial assets				
Investments	4	39.57	38.67	68.21
Loans	5	0.06	0.56	15.45
Income tax assets (net)		2.30	2.29	1.67
Deferred tax assets	6	1.52	1.99	1.41
Other non-current assets	7	0.02	0.02	-
		44.73	**44.69**	**87.19**
Current assets				
Financial assets				
Trade receivables	8	39.57	33.15	26.08
Cash and cash equivalents	9	17.10	7.96	4.96
Loans	10	15.76	16.77	6.04
Unbilled revenue		3.58	3.86	5.46
Others	11	0.39	0.44	0.82
Other current assets	12	0.99	0.84	2.43
		77.39	**63.02**	**45.79**
TOTAL		**122.12**	**107.71**	**132.98**

EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	55.71	55.71	55.71
Other equity		(10.20)	(8.25)	12.69
		45.51	**47.46**	**68.40**
Non-current liabilities				
Financial liabilities				
Borrowings	14	-	0.06	12.13
Others	15	-	-	2.72
Provisions	16	2.25	1.69	0.88
		2.25	**1.75**	**15.73**
Current liabilities				
Financial liabilities				
Short-term borrowings	17	4.20	-	-
Trade payables	18	45.24	30.11	29.06
Other	19	15.24	21.55	16.69
Other current liabilities	20	2.10	1.71	2.25
Provisions	21	0.61	0.41	0.22
Current income tax liabilities (net)		6.97	4.72	0.63
		74.36	**58.50**	**48.85**
TOTAL		**122.12**	**107.71**	**132.98**
Significant accounting policies	1			
Notes referred to above form an integral part of the financial statements	2 - 29			

For and on behalf of the Board of Directors of
KPIT Infosystems Incorporated

Director

Director

Place: Pune
Date: 22 April 2017

Statement of Profit and Loss

for the year ended on 31 March 2017

(Amount in USD million)

	Note	31 March 2017	31 March 2016
Revenue from operations			
Sale of services	22	196.46	181.65
Other income	23	0.21	2.28
Total income		**196.67**	**183.93**
Expenses			
Employee benefits expense	24	81.45	61.55
Finance costs	25	0.14	0.80
Depreciation and amortization	3	0.42	0.21
Other expenses	26	113.37	109.82
Total expenses		**195.38**	**172.38**
Profit before exceptional items and tax		**1.29**	**11.55**
Exceptional items ((Refer note 29(2))		-	(1.72)
Profit before tax		**1.29**	**9.83**
Extraordinary item		-	-
Profit before tax and minority interest		**1.29**	**9.83**
Tax expenses			
Current tax		2.77	3.68
Deferred tax benefit		0.47	(0.58)
Total tax expense		**3.24**	**3.10**
Profit for the year		**(1.95)**	**6.73**
Other comprehensive income		-	-
Total comprehensive income		**(1.95)**	**6.73**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2 - 29		

For and on behalf of the Board of Directors of
KPIT Infosystems Incorporated

Director Director

Place: Pune
Date: 22 April 2017

Statement of Cash Flow

for the year ended on 31 March 2017

(Amount in USD million)

PARTICULARS	31 March 2017	31 March 2016
A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period	(1.95)	6.73
Adjustments for		
Income tax expense	3.24	3.10
Profit/Loss on sale of fixed assets (net)	0.02	0.01
Depreciation / Amortization	0.42	0.21
Interest expense	0.14	0.80
Interest income	(0.18)	(0.45)
Diminution in the value of investment	-	1.72
Fair Value change of contingent consideration	-	(1.58)
Operating Profit before working capital changes	1.69	10.54
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(6.14)	(2.16)
Loans, other financials assets and other assets	(0.14)	1.90
Trade Payables	15.13	(0.56)
Other financial liabilities, other liabilities and provisions	0.74	(0.57)
Cash generated from operations	11.28	9.15
Taxes Paid	(0.53)	(0.21)
Net cash from operating activities (A)	**10.75**	**8.94**
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(0.52)	(0.40)
Proceeds from Sale of Fixed Assets	-	-
Loan (given to) / repaid by related parties	1.50	4.16
Investment in Equity Shares of Subsidiaries	(0.90)	(1.60)
Interest received	0.23	0.83
Net Cash from /(used in) investing activities (B)	**0.31**	**2.99**
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Working Capital loan (Net)	4.20	(0.05)
Loan taken / (repayment) from bank	(4.26)	(5.66)
Loan (given to) / repaid by related parties	(1.30)	(2.60)
Interest and finance charges	(0.56)	(0.70)
Net cash from /(used in) financing activities (C)	**(1.92)**	**(9.01)**
Net Increase / (decrease) in cash and cash equivalents (A + B + C)	**9.14**	**2.92**
Cash & cash equivalents at close of the year (refer note 1 below)	17.10	7.96
Cash & cash equivalents at beginning of the year (refer note 1 below)	7.96	4.96
Cash and bank balances of CPG Solutions LLC & Integrated Industrial Information Inc. as on the date of merger	-	0.08
Cash surplus / (deficit) for the year	**9.14**	**2.92**
Note 1:		
Cash and cash equivalents include:		
Cash on hand	-	-
Cheques on hand	0.92	-
Balance with banks		
- In current accounts	16.18	7.96
- In deposit account (with original maturity of 3 months or less)	-	-
Total Cash and cash equivalents	**17.10**	**7.96**
Cash and cash equivalents at the end of the year	**17.10**	**7.96**

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 menthod, 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.

Note 4 :
Previous year's figures have been rearranged/regrouped wherever necessary.

For and on behalf of the Board of Directors of
KPIT Infosystems Incorporated

Director Director

Place: Pune
Date: 22 April 2017

Statement of changes in equity

(Amount in USD million)

A	Equity share capital	Amount
	Balance as at 1 April 2015	55.71
	Changes in equity share capital during 2015-16	-
	Balance as at 31 March 2016	**55.71**
	Changes in equity share capital during 2016-17	-
	Balance as at 31 March 2017	**55.71**

B Other equity

	Reserves & surplus			Total
	Capital Reserve	General reserve	Retained earnings	
Balance as on 01 April 2015	0.03	(4.13)	16.79	12.69
Profit for the year	-	-	6.73	6.73
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	6.73	6.73
Adjustment under the scheme of amalgamation	-	(29.84)	(0.73)	(30.57)
Impact of contingent consideration	-	-	2.90	2.90
Balance as on 31 March 2016	**0.03**	**(33.97)**	**25.69**	**(8.25)**
Balance as on 01 April 2016	0.03	(33.97)	25.69	(8.25)
Profit for the year	-	-	(1.95)	(1.95)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(1.95)	(1.95)
Balance as on 31 March 2017	**0.03**	**(33.97)**	**23.74**	**(10.20)**

For and on behalf of the Board of Directors of
KPIT Infosystems Incorporated

Director Director

Place: Pune
Date: 22 April 2017

Notes forming part of the financial statements

for the year ended on 31 March 2017

COMPANY OVERVIEW

KPIT Infosystems Incorporated 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 of preparation of financial statements

The financial statements are prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of Companies Act, 2013. The financial statements are presented in millions of US Dollars ("USD"), unless otherwise stated.

The Company adopted Ind-AS from April 1, 2016 and accordingly the transition was carried out, from the accounting principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the impact on transition has been recorded in opening reserves as at April 1, 2015 and all the periods presented have been restated accordingly. Reconciliations and descriptions of the effect of the transition has been summarized in Note 2.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Use of estimates

The preparation of financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

Critical accounting estimates

i. Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

ii. Business combinations

Business combinations are accounted for using IndAS103, Business Combinations. IndAS103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

1.2 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 realized in, or is intended for sale or consumption in, the Group's normal operating cycle;

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

c. it is expected to be realized 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 at least 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.

Liabilities

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

a. it is expected to be settled in the Group'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 Group 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.

1.3 Revenue recognition

The Group derives revenues primarily from software development and related services and from the sale of licenses and products. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

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 terms. Revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues.

Revenue from fixed-price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method based on costs expended subject to the cost (both incurred and expected future cost) can be identified and can be measured reliably.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue.

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed.

The arrangements for sale of license, related services and maintenance services, those meet the criteria for considering the same as separately identifiable components. For allocating the consideration, the company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the company is unable to establish objective and reliable evidence of fair value for the software development and related services, the company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

Revenue from sale of third party licenses is recognised net of purchase cost, only when the sale is completed by passing ownership.

Advances received for services and products are separately reported in the financials as advance received from customers.

The Group accounts for volume and / or trade discounts to customers as a reduction of revenue. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

Expenses reimbursed by customers during the project execution are recorded as a reduction to associated costs.

Interest income is recognized using effective interest rate method.

Dividend income is recognized when the right to receive payment is established.

1.4 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.

1.5 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment 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. If significant parts of an item of property, plant and equipment have different useful lives , than they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss Assets under construction are disclosed as capital work-in-progress.

1.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment, if any.

In case of internally generated intangibles, costs incurred during the research phase of a project are expensed when incurred. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized 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 property, plant and equipment). Other development expenditure is recognized in the Statement of Profit and Loss as incurred.

Intangible fixed assets are derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.7 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The estimated useful lives are as follows:

Type of asset	Useful life (No. of years)
Plant and equipment(1)	4
Office Equipment(1)	10
Furniture and fixtures(1)	8

(1) 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 are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Leasehold land and vehicles taken on lease 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.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

1.8 Impairment

a. Financial assets

The Group assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit or Loss.

b. Non- financial assets

i. Property, plant and equipment and intangible 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 fair value less cost of disposal 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 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 amortization, if no impairment loss had been recognized. Such a reversal is recognized in the Statement of Profit and Loss.

1.9 Leases

a. Finance lease

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

b. Operating lease

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 recognized in the Statement of Profit and Loss on straight line basis over the term of the lease, unless the increase in rentals is in line with expected general inflation.

1.10 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated into the functional currency at the year-end rates. The exchange differences so determined and also the realized exchange differences are recognized in the Statement of Profit and Loss.

1.11 Employee benefits

Compensated absences

The employees of certain locations can carry-forward a portion of the unutilized accrued compensated absences and utilize 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 Group 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 using the projected unit credit method.

1.12 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

1.13 Provisions, Contingent liabilities and Contingent assets

The Company recognizes provisions only when it has a present legal or constructive 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.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

No provision 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-

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

2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually 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.

1.14 Employee stock option

In respect of stock options granted by the parent company, pursuant to the Group's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.15 Financial instruments

a. Initial recognition

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

b. Subsequent measurement

i) Non-derivative financial instruments

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in other comprehensive income.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c. Derecognition of financial instruments

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

d. Fair value of financial instruments

The company uses discounted cash flow analysis method for the fair value of its financial instruments. The method of assessing fair value result in general approximation of value and such value may never actually be realized.

Notes forming part of the financial statements

for the year ended on 31 March 2017

(Amount in $ million)

2 First time adoption of Ind-AS

2.1 Explanation of transition to Ind-AS

a. These are the Company's first Financial Statements prepared in accordance with Ind-AS.

b. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind-AS Balance Sheet as at 1 April 2015 (the Company's date of transition).

c. In preparing its opening Ind-AS Balance Sheet, the Company has adjusted amounts reported previously in financial statements, prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind-AS has affected the Company's financial position, financial performance and cash flow is set out below.

2.2 Optional exemptions availed and mandatory exceptions

In preparing these Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind-AS 101 as explained below:

a. Optional exemptions availed

i. Business combination

The Company has applied the exemption as provided in Ind-AS 101 on non-application of Ind-AS 103 - "Business Combinations" to business combinations occured prior to the date of transition (1 April 2015). Pursuant to this exemption, goodwill arising from business combination has been stated at the carrying amount under IGAAP. Further, intangible assets net of related taxes, which were subsumed in goodwill under IGAAP, were not recognised in the opening Balance Sheet as at 1 April 2015, since those did not qualify for recognition in the separate Balance Sheet of the acquired entities.

ii. Share based payments

The Company has elected to apply the share based payment exemption available under Ind-AS 101 on application of Ind-AS 102- "Share Based Payment", to the grants that are vested before the transition date.

iii. Deemed cost

The Company has availed the exemption under Ind-AS 101 on deemed cost, where it has elected to continue with the carrying value for all of its property, plant and equiment, and intangible assets, as recognised in the financial statements as at the date of transition to Ind-AS, measured as per the IGAAP and use that as its deemed cost.

b. Mandatory exceptions from full retrospective application

Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements are consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

2.3 Reconciliations

a. The below mentioned reconciliations provide the quantification of the effect of significant differences arising on the transition from IGAAP to Ind-AS, in accordance with Ind-AS 101 :

Reconciliation of Equity, as previously reported under IGAAP to Ind-AS for earlier periods :

Sr No	Nature of adjustments	March 31, 2016	April 01, 2015
A	**Equity under IGAAP**	**48.28**	**73.34**
B	**Effects of transition to Ind-AS:**		
i.	Effect of measuring financial liabilities initially at fair value and subsequently at amortised cost	-	0.11
ii.	Effect of ESOP measurement and amortisation based on fair value of options	(0.82)	(0.62)
iii.	Effect of discounting and fair value changes of contingent consideration payable for business combinations	-	(4.42)
	Total adjustments	**(0.82)**	**(4.93)**
C	**Equity under Ind-AS**	**47.46**	**68.40**

Reconciliation of Profit, as previously reported under IGAAP to Ind-AS for earlier periods :

Sr No	Nature of adjustments	Year ended March 31, 2016
A	**Net profit under IGAAP**	**5.52**
B	**Effects of transition to Ind-AS on Statement of Profit and Loss:**	
i.	Effect of measuring financial liabilities initially at fair value and subsequently at amortised cost	(0.11)
ii.	Effect of ESOP measurement and amortisation based on fair value of options	(0.20)
iii.	Effect of discounting and fair value changes of contingent consideration payable for business combinations	1.52
	Total adjustments	**1.21**
C	**Net profit for the period under Ind-AS**	**6.73**
D	**Other comprehensive income (net of tax)**	**-**
E	**Total comprehensive income**	**6.73**

b. There are no material adjustments to the cash flow statements.

3A Property, plant and equipment

Changes in the carrying amount of property, plant and equipment

(Amount in USD million)

	Plant and equipment	Office Equipment	Furniture and Fixtures	Leasehold improvements	Total
Gross carrying amount as at 1 April 2015	**0.48**	**0.07**	**0.02**	**-**	**0.57**
Additions on account of merger	0.39	0.02	0.45	0.20	1.06
Additions	0.28	0.01	0.04	-	0.33
Disposal/Retirements/Derecognition	0.01	-	0.05	-	0.06
Gross carrying amount as at 31 March 2016	**1.14**	**0.10**	**0.46**	**0.20**	**1.90**
Accumulated depreciation as at 1 April 2015	**0.08**	**0.02**	**0.02**	**-**	**0.12**
Additions on account of merger	0.29	0.01	0.22	0.09	0.61
Depreciation for the period	0.15	0.01	0.02	0.01	0.19
Disposal/Retirements/Derecognition	0.01	-	0.04	-	0.05
Accumulated depreciation as at 31 March 2016	**0.51**	**0.04**	**0.22**	**0.10**	**0.87**
Carrying amount as at 1 April 2015	**0.40**	**0.05**	**-**	**-**	**0.45**
Carrying amount as at 31 March 2016	**0.63**	**0.06**	**0.24**	**0.10**	**1.03**
Gross carrying amount as at 1 April 2016	**1.14**	**0.10**	**0.46**	**0.20**	**1.90**
Additions	0.26	0.01	-	0.01	0.28
Disposal/Retirements/Derecognition	0.04	-	0.04	0.03	0.11

(Amount in USD million)

	Plant and equipment	Office Equipment	Furniture and Fixtures	Leasehold improvements	Total
Gross carrying amount as at 31 March 2017	**1.36**	**0.11**	**0.42**	**0.18**	**2.07**
Accumulated depreciation as at 1 April 2016	**0.51**	**0.04**	**0.22**	**0.10**	**0.87**
Depreciation for the period	0.27	0.01	0.05	0.02	0.35
Disposal/Retirements/Derecognition	0.04	-	0.02	0.03	0.09
Accumulated depreciation as at 31 March 2017	**0.74**	**0.05**	**0.25**	**0.09**	**1.13**
Carrying amount as at 1 April 2016	**0.63**	**0.06**	**0.24**	**0.10**	**1.03**
Carrying amount as at 31 March 2017	**0.62**	**0.06**	**0.17**	**0.09**	**0.94**

3B Goodwill

Chages in the carrying amount of goodwill

(Amount in USD million)

	Amount
Gross carrying amount as at 1 April 2015	**0.31**
Additions	-
Gross carrying amount as at 31 March 2016	**0.31**
Accumulated amortization as at 1 April 2015	**0.31**
Amortization for the period	-
Accumulated amortization as at 31 March 2016	**0.31**
Carrying amount as at 1 April 2015	**-**
Carrying amount as at 31 March 2016	**-**
Gross carrying amount as at 1 April 2016	**0.31**
Additions	-
Gross carrying amount as at 31 March 2017	**0.31**
Accumulated amortization as at 1 April 2016	**0.31**
Amortization for the period	-
Accumulated amortization as at 31 March 2017	**0.31**
Carrying amount as at 1 April 2016	**-**
Carrying amount as at 31 March 2017	**-**

3C Other intangible assets

Changes in the carrying amount of other intangible assets

(Amount in USD million)

	Internally Generated Product Development Cost	Other than Internally Generated Software	Total
Gross carrying amount as at 1 April 2015	**-**	**-**	**-**
Additions on account of merger	-	0.57	0.57
Other additions	-	0.07	0.07
Disposal/Retirements/Derecognition	-	-	-
Gross carrying amount as at 31 March 2016	**-**	**0.64**	**0.64**
Accumulated depreciation as at 1 April 2015	**-**	**-**	**-**
Additions on account of merger	-	0.49	0.49
Depreciation	-	0.02	0.02
Disposal/Retirements/Derecognition	-	-	-
Accumulated depreciation as at 31 March 2016	**-**	**0.51**	**0.51**
Carrying amount as at 1 April 2015	**-**	**-**	**-**
Carrying amount as at 31 March 2016	**-**	**0.13**	**0.13**
Gross carrying amount as at 1 April 2016	**-**	**0.64**	**0.64**
Additions	0.22	-	0.22
Disposal/Retirements/Derecognition	-	-	-
Gross carrying amount as at 31 March 2017	**0.22**	**0.64**	**0.86**
Accumulated depreciation as at 1 April 2016	**-**	**0.51**	**0.51**
Depreciation for the period	-	0.07	0.07
Disposal/Retirements/Derecognition	-	-	-
Accumulated depreciation as at 31 March 2017	**-**	**0.58**	**0.58**
Carrying amount as at 1 April 2016	**-**	**0.13**	**0.13**
Carrying amount as at 31 March 2017	**0.22**	**0.06**	**0.28**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
4	**Non current investments**			
	Trade Investments (Unquoted)			
	Investment in shares of Findant Inc.	0.34	0.34	0.34
	Less : Provision for diminution in value of investment	(0.34)	(0.34)	(0.34)
		-	-	-
	Investments in equity instruments of subsidiaries (at cost)			
	KPIT Technologies Solucoes EM Informatica LTDA	1.47	0.57	0.57
	Investment in shares of Sparta Consulting Inc., USA	38.10	38.10	38.10
	Investment in shares of CPG Solutions LLC. USA	-	-	15.16
	Investment in shares of Integrated Industrial Information Inc., USA	-	-	12.65
	Investment in shares of GAIA Systems Solutions Inc., Japan	-	-	1.73
		39.57	**38.67**	**68.21**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
5	**Loans**			
	(Unsecured, considered good unless otherwise stated)			
	Loans and advances to related parties (Refer Note 28)			
	-Loan to Sparta Consulting Inc., USA	-	0.50	14.55
	-Loan to Integrated Information Inc., USA	-	-	0.90
	Loans and advances to other than related parties			
	- Security deposits	0.06	0.06	-
		0.06	**0.56**	**15.45**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
6	**Deferred tax assets**			
	Deferred tax assets			
	-Provision for depreciation	0.16	0.21	-
	-Provision for doubtful debts and advances	0.35	1.11	0.31
	-Provision for leave encashment	0.66	0.75	0.53
	-Accrued Commissions and Bonus	0.02	0.02	-
	-Accrued Marketing Cost	0.39	0.19	-
	-Subcontractor payable	0.15	0.07	-
	-Accrued Expenses	(0.19)	(0.19)	0.03
	-Prepaid Expenses	-	(0.22)	0.77
	-Interest on loan - Intercompany	0.01	0.21	-
		1.55	**2.15**	**1.64**
	Deferred tax liabilities			
	-Prepaid Expenses	0.03	-	-
	-Provision for depreciation	-	0.16	0.23
		0.03	**0.16**	**0.23**
	Net deferred tax asset	**1.52**	**1.99**	**1.41**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
7	**Other non-current assets**			
	(Unsecured, considered good unless otherwise stated)			
	Capital advances	-	-	-
	Prepaid expenses	**0.02**	**0.02**	**-**
		0.02	**0.02**	**-**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
8	**Trade receivables**			
	(Unsecured)			
	- Considered good	39.57	33.15	26.08
	- Considered doubtful	0.05	1.32	0.17
		39.62	**34.47**	**26.25**
	Less: Provision for doubtful trade receivables	0.05	1.32	0.17
		39.57	**33.15**	**26.08**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
9	**Cash and bank balances**			
	Cash and cash equivalents			
	- Cash on hand	-	-	-
	- Cheques on hand	0.92	-	-
	Balances with banks			
	- In current accounts	16.18	7.96	4.96
	- In deposit accounts(with original maturity of 3 months or less)	-	-	
		17.10	**7.96**	**4.96**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
10	**Loans**			
	(Unsecured, considered good unless otherwise stated)			
	Loans and advances to related parties (Refer note 28)			
	- Loan to Sparta Consulting Inc., USA	15.75	16.75	3.70
	- Dues from subsidiaries	0.01	0.01	2.27
	Loans and advances to other than related parties			
	- Security deposits	-	0.01	0.07
		15.76	**16.77**	**6.04**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
11	**Other current financials assets**			
	(Unsecured, considered good unless otherwise stated)			
	Interest accrued on loan	0.39	0.44	0.82
		0.39	**0.44**	**0.82**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
12	**Other current assets**			
	(Unsecured, considered good unless otherwise stated)			
	Employee advances	0.51	0.25	0.69
	Advance to suppliers	0.04	0.14	1.34
	Prepaid expenses	0.44	0.45	0.40
		0.99	**0.84**	**2.43**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
13	**Share capital**			
	Authorised:			
	100,000 shares common stock without par value			
	Issued subscribed and fully paid up:			
	12,467 (Previous year: 12,467) shares of common stock without par value fully paid up	55.71	55.71	55.71
		55.71	**55.71**	**55.71**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
14	**Long term borrowings**			
	Term loans			
	- From banks (Secured)	-	-	2.23
	Loans from related parties			
	- Loan from KPIT Technologies Limited	-	-	8.50
	- Loan from KPIT Technologies Corporation, Canada	-	-	1.40
	Long term maturities of finance lease obligations	-	0.06	-
		-	**0.06**	**12.13**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
15	**Other Non current Financial Liabilities**			
	Purchase consideration payable Icubed	-	-	2.72
		-	**-**	**2.72**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
16	**Long term provisions**			
	Provision for employee benefits			
	- Compensated Absences	2.25	1.69	0.88
		2.25	**1.69**	**0.88**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
17	**Short term borrowings**			
	Loans repayable on demand			
	- From banks (Secured)			
	Working capital loans from banks (secured)	4.20	-	-
		4.20	**-**	**-**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
18	**Trade payables**			
	Trade payables	45.24	30.11	29.06
		45.24	**30.11**	**29.06**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
19	**Other current financial liabilities**			
	Current maturities of long term debt:			
	- from banks (secured)	-	-	1.30
	- from banks (unsecured)	-	4.20	4.16
	- From KPIT Technologies Limited, India	6.00	7.30	-
	- Current maturities of finance lease obligations	0.07	0.10	-
	Other than trade payables :			
	Accrued employee costs	5.71	5.38	3.20
	Interest accrued and not due	0.03	0.45	0.52
	Payables in respect of fixed assets	0.02	-	-
	Payable to related parties	3.39	4.11	5.81
	Purchase consideration payable Icubed	-	-	1.70

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
	Security deposits	0.02	0.01	-
		15.24	**21.55**	**16.69**
20	**Other current liabilities**			
	Unearned revenue	0.99	0.86	1.60
	Statutory remittances	1.11	0.85	0.65
		2.10	**1.71**	**2.25**

(Amount in USD million)

		31 March 2017	31 March 2016	1 April 2015
21	**Short-term provisions**			
	Provision for employee benefit			
	- Compensated Absences	0.61	0.41	0.22
		0.61	**0.41**	**0.22**

(Amount in USD million)

		31 March 2017	31 March 2016
22	**Revenue from operations**		
	Software services	196.46	181.65
		196.46	**181.65**
23	**Other income**		
	Interest income	0.18	0.45
	Foreign exchange gain (net)	0.01	-
	Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	0.02	1.83
		0.21	**2.28**

(Amount in USD million)

		31 March 2017	31 March 2016
24	**Employee benefits expense**		
	Salaries, wages and incentives	81.31	61.38
	Staff welfare expenses	0.14	0.17
		81.45	**61.55**

(Amount in USD million)

		31 March 2017	31 March 2016
25	**Finance costs**		
	Interest expense	0.14	0.80
		0.14	**0.80**

(Amount in USD million)

		31 March 2017	31 March 2016
26	**Other expenses**		
	Travel and overseas expenses (net)	4.57	2.82
	Transport and conveyance (net)	0.29	0.75
	Cost of service delivery (net)	89.51	84.84
	Cost of professional sub-contracting (net)	13.21	11.40
	Recruitment and training expenses	0.35	0.72
	Power and fuel	0.03	0.39
	Rent	0.80	1.23
	Repairs and maintenance		
	- plant & equipment	0.24	0.07
	- others	0.02	0.36
	Insurance	-	0.39
	Rates & taxes	0.13	0.15
	Communication expenses (net)	0.95	0.67
	Legal and professional fees	0.41	0.72
	Marketing expenses	2.18	2.90
	Loss on sale of fixed assets(net)	0.02	0.01
	Foreign exchange loss (net)	-	0.06
	Printing & stationery	0.03	0.05
	Bad debts written off	0.60	-
	Provision for doubtful debts, unbilled revenue and advances (net)	(0.75)	0.35
	Miscellaneous expenses (net)	0.78	1.94
		113.37	**109.82**
	Note		
	Certain expenses are net of recoveries/reimbursements from customers.		

27 Contingent liabilities and Commitments

The Company has no contingent liabilities and commitments as at 31 March 2017.

28 Related party disclosures

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
	KPIT Technologies Soluções EM Informática Ltda. (erstwhile KPIT Infosystem (Brasil) Servicos De Technologia e Participacoes Ltda)
Fellow Subsidiary Companies	KPIT Technologies Corporation (erstwhile SYSTIME Global Solutions Inc., Canada)
	KPIT Technologies France (erstwhile 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 (erstwhile KPIT Infosystems Limited)
	KPIT Infosystems Limited Filial UK, Sweden
	KPIT Solutions GmbH (erstwhile HD Solutions GmbH, Germany)
	KPIT Technologies GmbH, Germany

B. Transactions with related parties

No.	Name of related party	FY 2016-17		FY 2015-16	
		Amount of transactions during the year (USD million)	Balance as on 31 March 2017 Debit/(Credit) (USD million)	Amount of transactions during the year (USD million)	Balance as on 31 March 2016 Debit/(Credit) (USD million)
1	**KPIT Technologies Limited, India**				
	Repayment of loan (including interest)	2.02	(6.02)	2.97	(7.74)
	Interest expenses	0.30		0.52	
	Sale of Software Services	0.96	0.95	0.09	0.11
	Software service charges	69.59	(33.17)	63.16	(17.15)
	Advance received (net)	0.56	(2.20)	0.39	(3.89)
	Reimbursement of expenses (net)	3.99		6.42	
2	**Sparta Consulting Inc. USA**				
	Sale of Software Services	5.13	3.58	2.11	0.77
	Software service charges	0.69	(0.21)	0.28	0.12
	Loan Given	2.50		NIL	
	Repayment of loan (including interest)	4.53	16.14	1.82	17.69
	Interest income	0.48		0.45	
	Advance received (net)	0.04	(0.00)	0.28	(0.15)
	Reimbursement of expenses (net)	1.17		1.34	
3	**KPIT Technologies Netherlands B.V.**				
	Software service charges	0.12	(0.03)	NIL	NIL
	Sale of Software Services	0.03	(0.00)	0.02	0.00
4	**KPIT Technologies Corporation (erstwhile SYSTIME Global Solutions Inc., Canada)**				
	Repayment of loan (including interest)	NIL	NIL	1.47	NIL
	Interest expenses	NIL		0.02	
	Reimbursement of expenses	-	0.00	0.02	(0.03)
	Sale of Software Services	0.18	0.05	0.10	0.10
	Software service charges	0.25	(0.03)	0.25	(0.17)
5	**KPIT Technologies France (erstwhile KPIT Infosystems France)**				
	Sale of Software Services	0.05	0.02	0.28	0.06
	Software service charges	0.09	0.00	0.00	0.00
6	**SYSTIME Computer Corporation, USA**				
	Software service charges	16.79	(7.98)	15.29	(7.52)
	Sale of Software Services	2.94	0.24	1.81	0.44
	Advance received (net)	NIL		3.00	
	Advance given (net)	1.96	(1.18)	NIL	(0.04)
	Reimbursement of expenses (net)	1.28		0.06	
7	**KPIT (Shanghai) Software Technology Co. Limited, China**				
	Sale of Software Services	0.03	0.03	NIL	NIL
	Software service charges	0.20	(0.02)	0.19	(0.03)
	Reimbursement of expenses (net)	-	0.00	NIL	NIL
8	**KPIT Infosystems ME FZE, Dubai**				
	Software service charges	NIL	NIL	NIL	(0.00)

No.	Name of related party	FY 2016-17		FY 2015-16	
		Amount of transactions during the year (USD million)	Balance as on 31 March 2017 Debit/(Credit) (USD million)	Amount of transactions during the year (USD million)	Balance as on 31 March 2016 Debit/(Credit) (USD million)
9	**KPIT Infosystems ME FZE (Australia Branch)**				
	Software service charges	0.08	(0.02)	0.00	(0.00)
10	**KPIT Infosystems ME FZE (Korea Branch)**				
	Software service charges	0.14	(0.02)	NIL	NIL
	Sale of Software Services	0.01	0.01	NIL	NIL
11	**KPIT Technologies (UK) Ltd (erstwhile KPIT Infosystems Limited)**				
	Sale of Software Services	0.35	0.27	0.13	0.07
	Reimbursement of expenses	-	0.00	0.00	0.00
	Advance given (net)	NIL		NIL	
	Software service charges	1.73	(0.09)	1.74	(0.29)
12	**KPIT Infosystems Limited Filial UK, Sweden**				
	Sale of Software Services	0.01	0.02	0.01	0.00
	Software service charges	-	NIL	0.00	(0.00)
13	**KPIT Technologies Soluções EM Informática Ltda. (erstwhile KPIT Infosystem (Brasil) Servicos De Technologia e Participacoes Ltda)**				
	Software service charges	0.81	(0.07)	0.79	(0.06)
	Advance received (net)	0.13	NIL	NIL	NIL
14	**KPIT Technologies GmbH, Germany**				
	Software service charges	0.72	(0.06)	0.59	(0.09)
	Reimbursement of expenses (net)	NIL	(0.00)	0.00	(0.00)
	Sale of Software Services	0.05	0.05	0.01	0.01
15	**KPIT Solutions GmbH (erstwhile HD Solutions GmbH, Germany)**				
	Sale of Software Services	NIL	0.03	NIL	NIL
	Software service charges	0.02	(0.01)	NIL	(0.06)
16	**KPIT medini Technologies AG (erstwhile IKV++ Technologies AG, Germany) ***				
	Software service charges	NIL	NIL	0.06	(0.06)
17	**CPG Solutions LLC, USA (Refre note 29(1))**				
	Sale of Software Services	NIL	NIL	0.34	NIL
	Software service charges	NIL	NIL	2.58	NIL
	Advance received (net)	NIL	NIL	0.06	NIL
	Reimbursement of expenses (net)	NIL		0.02	
18	**Integrated Industrial Information Inc. USA (Refre note 29(1))**				
	Software service charges	NIL	NIL	0.27	NIL
	Reimbursement of expenses (net)	NIL	NIL	0.00	NIL
	Loan granted	NIL	NIL	1.14	NIL
	Interest income	NIL		0.04	

* During the year, KPIT Technologies GmbH sold the investment in KPIT medini Technologies AG, its subsidiary company. The transaction resulted in loss of control with effect from 1 November 2016.

29 Other disclosures and explanatory notes

1. During the previous year, CPG Solutions, LLC (transferor) had been merged with KPIT Infosystems Incorporated (transferee), its holding company, in terms of Articles of Merger filed with the State of Florida. CPG was engaged in the business of providing software consultancy services in the areas of ERP, Supply Chain Management and Business Intelligence. Consolidation of operations was undertaken with the aim of improving operational efficiencies.

   During the previous year, Integrated Industrial Information, Inc. (transferor) had been merged with KPIT Infosystems Incorporated (transferee), its holding company, in terms of Articles of Merger filed with the State of North Carolina. I-Cubed was involved in the areas of Product Lifecycle Management consulting, specializing in data migration, PLM technical services and customization and managed services.

2. During the previos year, the Company has provided for the decline, other than temporary, in the carrying amount of an investment for USD 1.72 million.

3. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

For and on behalf of the Board of Directors of
KPIT Infosystems Incorporated

Director Director

Place: Pune
Date: 22 April 2017

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 accounts for the financial year ended March 31, 2017.

Financial Results

Particulars	2016-17 USD (Million)	2015-16 USD (Million)
Total Income	96.57	79.73
Net Profit / (Loss) for the year	7.11	2.88

Operations

During the year under review, there was an increase of 21% in the total income and the net profit also increased by 147%.

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
Sparta Consulting Inc.

Pune
April 22, 2017

Kishor Patil
Chairman

Balance Sheet

AS AT 31 MARCH 2017

(Currency - USD Million)

	Note	31 March 2017	31 March 2016	1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3A	0.22	0.30	0.42
Goodwill	3B	-	0.60	1.19
Other intangible assets	3C	0.50	0.04	0.09
Intangible assets under development		1.08	-	-
Financial assets				
Loans	4	0.02	0.04	-
Income tax assets (net)		4.19	4.84	4.77
Deferred tax assets	5	4.54	4.54	4.54
		10.55	**10.36**	**11.01**
Current assets				
Financial assets				
Trade receivables	6	26.34	21.76	20.81
Cash and cash equivalents	7	4.75	1.88	3.04
Loans	8	0.04	0.16	3.81
Others	9	4.90	2.76	1.22
Other current assets	10	0.38	0.38	0.19
		36.41	**26.94**	**29.07**
TOTAL		**46.96**	**37.30**	**40.08**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	5.11	5.11	5.11
Other equity		3.10	(4.01)	(6.89)
		8.21	**1.10**	**(1.78)**
Non-current liabilities				
Financial liabilities				
Borrowings	12	-	1.25	18.25
Provisions	13	1.37	1.36	1.54
		1.37	**2.61**	**19.79**
Current liabilities				
Financial liabilities				
Borrowings	14	-	-	2.50
Trade payables	15	13.90	10.59	13.12
Other	16	20.32	20.75	3.64
Other current liabilities	17	2.71	1.69	2.01
Provisions	18	0.44	0.55	0.80
Current income tax liabilities (net)		0.01	0.01	-
		37.38	**33.59**	**22.07**
TOTAL		**46.96**	**37.30**	**40.08**
Significant accounting policies	1			
Notes referred to above form an integral part of the financial statements	2-27			

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

Director Director

Place: Pune
Date: 22 April, 2017

Statement of Profit and Loss

FOR THE YEAR ENDED ON 31 MARCH 2017

(Currency - USD Million)

	Note	31 March 2017	31 March 2016
Revenue from operations			
Sale of services	19	96.49	79.48
Other income	20	0.08	0.25
Total income		**96.57**	**79.73**
Expenses			
Employee benefits expense	21	40.05	37.69
Finance costs	22	0.50	0.46
Depreciation and amortization	3	0.72	0.76
Other expenses	23	48.19	37.95
Total expenses		**89.46**	**76.86**
Profit before tax		**7.11**	**2.87**
Tax expense			
Current tax		-	(0.01)
Total tax expense		**-**	**(0.01)**
Profit for the year		**7.11**	**2.88**
Other comprehensive income		**-**	**-**
Total other comprehensive income		**-**	**-**
Total comprehensive income		**7.11**	**2.88**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-27		

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

Director Director

Place: Pune
Date: 22 April, 2017

Statement of Cash Flows

FOR THE YEAR ENDED ON 31 MARCH 2017

(Currency - USD Million)

PARTICULARS		31 March 2017	31 March 2016
A]	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the period	7.11	2.88
	Adjustments for		
	Profit/Loss on sale of fixed assets (net)	-	0.09
	Income tax expense	-	(0.01)
	Depreciation / Amortization	0.72	0.76
	Interest expense	0.50	0.46
	Interest income	(0.04)	-
	Operating Profit before working capital changes	8.29	4.18
	Adjustments for changes in working capital:		
	Trade receivables and unbilled revenue	(6.72)	(2.49)
	Loans, other financials assets and other assets	0.14	3.42
	Trade Payables	3.31	(2.53)
	Other financial liabilities, other liabilities and provisions	0.77	(0.01)
	Cash generated from operations	5.79	2.57
	Taxes Paid	0.65	(0.05)
	Net cash from operating activities (A)	**6.44**	**2.52**
B]	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	(1.58)	(0.09)
	Interest received	0.04	-
	Net Cash from /(used in) investing activities (B)	**(1.54)**	**(0.09)**
C]	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Long term loan from other than banks	2.50	0.75
	Repayment of Long term loan from other than banks	(4.00)	(1.00)
	Proceeds from Working Capital loan (Net)	-	(2.50)
	Interest and finance charges	(0.53)	(0.84)
	Net cash from / (used in) financing activities (C)	**(2.03)**	**(3.59)**
	Net Increase / (decrease) in cash and cash equivalents (A + B+ C)	**2.87**	**(1.16)**
	Cash & cash equivalents at close of the year (refer note 1 below)	4.75	1.88
	Cash & cash equivalents at beginning of the year (refer note 1 below)	1.88	3.04
	Cash surplus / (deficit) for the year	**2.87**	**(1.16)**
Note 1:			
Cash and cash equivalents include:			
Balance with banks			
- In current accounts		4.75	1.88
- In deposit account (with original maturity of 3 months or less)		-	-
Total Cash and cash equivalents		4.75	1.88

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 the Indian Accounting Standard (Ind-AS) 7 Statement of Cash Flows.

Note 4 :

Previous year's figures have been rearranged/regrouped wherever necessary.

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

Director Director

Place: Pune
Date: 22 April, 2017

Statement of Changes in Equity

FOR THE YEAR ENDED ON 31 MARCH 2017

(Currency - USD Million)

A	**Equity share capital**	
	Balance as at 1 April 2015	5.11
	Changes in equity share capital during 2015-16	-
	Balance as at 31 March 2016	**5.11**
	Changes in equity share capital during 2016-17	-
	Balance as at 31 March 2017	**5.11**

B	**Other equity**		
	Particulars	**Retained earnings**	**Total**
	Balance as on 01 April 2015	(6.89)	(6.89)
	Total comprehensive income for the year	2.88	2.88
	Balance as on 31 March 2016	**(4.01)**	**(4.01)**
	Balance as on 01 April 2016	(4.01)	(4.01)
	Total comprehensive income for the year	7.11	7.11
	Balance as on 31 March 2017	**3.10**	**3.10**

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

Director Director

Place: Pune
Date: 22 April, 2017

Notes forming part of the Financial Statements

FOR THE YEAR ENDED ON 31 MARCH 2017

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 Incorporated, 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 have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of Companies Act, 2013.

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

The Company adopted Ind-AS from April 1, 2016 and accordingly the transition was carried out, from the accounting principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the impact on transition has been recorded in opening reserves as at April 1, 2015 and all the periods presented have been restated accordingly.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Use of Estimates:

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

Critical accounting estimates

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Impairment of goodwill

Goodwill is tested for impairment on an annual basis and when ever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

1.2 Revenue recognition:

The company derives revenues primarily from software development and related services and from the sale licenses and products. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

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 terms. Revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues.

Revenue from fixed-price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method based on costs expended subject to the cost (both incurred and expected future cost) can be identified and can be measured reliably.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Earnings in excess of billings are classified as unbilled revenue while billings in excess of earnings are classified as unearned revenue.

Maintenance revenue is recognized over the term of the underlying maintenance arrangement. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed.

The arrangements for sale of license, related services and maintenance services, those meet the criteria for considering the same as separately identifiable components. For allocating the consideration, the company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the company is unable to establish objective and reliable evidence of fair value for the software development and related services, the company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

Expenses reimbursed by customers during the project execution are recorded as a reduction to associated costs.

Interest income is recognized using effective interest rate method.

1.3 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.

1.4 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.

The exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from other exchange differences to finance costs.

1.5 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment 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. Assets under construction are disclosed as capital work-in-progress.

1.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment, if any.

In case of internally generated intangibles, costs incurred during the research phase of a project are expensed when incurred. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized 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 capitalized 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 property, plant and equipment). Other development expenditure is recognized in the Statement of Profit and Loss as incurred.

Intangible fixed assets are derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.7 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The estimated useful lives are as follows:

Type of asset	Useful life (No. of years)
Plant and equipment ([1])	4
Office Equipment ([1])	10
Furniture and fixtures ([1])	8

([1]) 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 are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Perpetual software licenses are amortized over 4 years. However, time-based software licenses are amortized over the license period.

Capitalized development costs are amortized over a period of 3 to 4 years.

Improvements to leased premises are amortized over the remaining non-cancellable period of lease.

1.8 Impairment

a. Financial assets

The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit or Loss.

b. Non- financial assets

i. Property, plant and equipment and intangible 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 fair value less cost of disposal 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 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 amortization, if no impairment loss had been recognized. Such a reversal is recognized in the Statement of Profit and Loss.

ii. Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.9 Income taxes

The Company is a part of a tax consolidation group consisting of KPIT Infosystems Incorporated (the holding company or the parent entity), the Company. 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.

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.10 Leases

Operating lease

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 recognized in the Statement of Profit and Loss on straight line basis over the term of the lease, unless the increase in rentals is in line with expected general inflation.

1.11 Earnings per share

Basic earnings per share are 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 net profit after tax for the year 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 into the functional currency at the year-end rates. The exchange differences so determined and also the realized exchange differences are recognized 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 using the projected unit credit method.

1.14 Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes provisions only when it has a present legal or constructive 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 provision 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-

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

   2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually 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.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

1.15 Financial Instrument

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

1.16 Employee stock option

In respect of stock options granted by the parent company, pursuant to the Group's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

2 FIRST TIME ADOPTION OF IND-AS :

2.1 Explanation of transition to Ind-AS

a. These are the Company's first Financial Statements prepared in accordance with Ind-AS.

b. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind-AS Balance Sheet as at 1 April 2015 (the Company's date of transition).

c. In preparing its opening Ind-AS Balance Sheet and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously in financial statements, prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian Generally Accepted Accounting Principles (IGAAP)). An explanation of how the transition from IGAAP to Ind-AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

2.2 Optional exemptions availed and mandatory exceptions

In preparing these Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind-AS 101 as explained below:

a. Optional exemptions availed

i. Share based payments

The Company has elected to apply the share based payment exemption available under Ind-AS 101 on application of Ind-AS 102- "Share Based Payment", to the grants that are vested before the transition date.

ii. Deemed cost

The Company has availed the exemption under Ind-AS 101 on deemed cost, where it has elected to continue with the carrying value for all of its property, plant and equipment, and intangible assets, measured as per IGAAP and use that as its deemed cost as at the date of transition to Ind-AS.

b. Mandatory exceptions from full retrospective application

i. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements are consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

2.3 Reconciliations

a. The below mentioned reconciliations provide the quantification of the effect of significant differences arising on the transition from IGAAP to Ind-AS, in accordance with Ind-AS 101 :

Reconciliation of Equity, as previously reported under IGAAP to Ind-AS for earlier periods :

(Currency - USD Million)

Sr No	Nature of adjustments	March 31, 2016	April 01, 2015
A	**Equity under IGAAP**	**1.25**	**(1.66)**
B	**Effects of transition to Ind-AS:**		
i.	Effect of ESOP measurement and amortisation based on fair value of options	(0.15)	(0.12)
ii.	Deferred taxes on above Ind-AS adjustments	-	-
	Total adjustments	**(0.15)**	**(0.12)**
C	**Equity under Ind-AS**	**1.10**	**(1.78)**

Reconciliation of Profit, as previously reported under IGAAP to Ind-AS for earlier periods :

(Currency - USD Million)

Sr No	Nature of adjustments	Year ended March 31, 2016
A	**Net profit under IGAAP**	**2.91**
B	**Effects of transition to Ind-AS on Statement of Profit and Loss:**	
i.	Effect of ESOP measurement and amortisation based on fair value of options	(0.03)
ii.	Deferred taxes on above Ind-AS adjustments	-
	Total adjustments	**(0.03)**
C	**Net profit for the period under Ind-AS**	**2.88**
D	**Other comprehensive income (net of tax)**	-
E	**Total comprehensive income**	**2.88**

b. There are no material adjustments to the cash flow statements.

3A Property, plant and equipment

Changes in the carrying amount of property, plant and equipment

(Currency - USD Million)

	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Office Equipments	Total
Gross carrying amount as at 1 April 2015	**0.03**	**0.34**	**0.21**	**0.89**	**1.47**
Additions on account of merger	-	-	-	-	-
Other additions	-	0.08	-	0.01	0.09
Disposal/retirements/derecognition	-	0.05	0.06	0.14	0.25
Gross carrying amount as at 31 March 2016	**0.03**	**0.37**	**0.15**	**0.76**	**1.31**
Accumulated depreciation as at 1 April 2015	**0.03**	**0.19**	**0.10**	**0.73**	**1.05**
Additions on account of merger	-	-	-	-	-
Depreciation	-	0.08	0.02	0.02	0.12
Disposal/retirements/derecognition	-	0.05	0.02	0.09	0.16
Accumulated depreciation as at 31 March 2016	**0.03**	**0.22**	**0.10**	**0.66**	**1.01**
Carrying amount as at 1 April 2015	**-**	**0.15**	**0.11**	**0.16**	**0.42**
Carrying amount as at 31 March 2016	**-**	**0.15**	**0.05**	**0.10**	**0.30**
Gross carrying amount as at 1 April 2016	**0.03**	**0.37**	**0.15**	**0.76**	**1.31**
Additions on account of merger	-	-	-	-	-
Other additions	-	-	-	-	-
Disposal/retirements/derecognition	-	-	-	0.02	0.02
Gross carrying amount as at 31 March 2017	**0.03**	**0.37**	**0.15**	**0.74**	**1.29**
Accumulated depreciation as at 1 April 2016	0.03	0.22	0.10	0.66	1.01
Additions on account of merger	-	-	-	-	-
Depreciation	-	0.05	0.01	0.02	0.08
Disposal/retirements/derecognition	-	-	-	0.02	0.02
Accumulated depreciation as at 31 March 2017	**0.03**	**0.27**	**0.11**	**0.66**	**1.07**
Carrying amount as at 1 April 2016	**-**	**0.15**	**0.05**	**0.10**	**0.30**
Carrying amount as at 31 March 2017	**-**	**0.10**	**0.04**	**0.08**	**0.22**

3B Goodwill

Changes in the carrying amount of goodwill

	31 March 2017	31 March 2016
Carrying amount at the commencement of the year	**0.60**	**1.19**
Impairment loss (Refer note 26)	0.60	0.59
Carrying amount at the end of the year	**-**	**0.60**

3C Other intangible assets

Changes in the carrying amount of other intangible assets

	Internally Generated	Other than Internally Generated	Total
	Product Development Cost	Software	
Gross carrying amount as at 1 April 2015	**2.14**	**0.22**	**2.36**
Other additions	-	-	-
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2016	**2.14**	**0.22**	**2.36**
Accumulated depreciation as at 1 April 2015	**2.14**	**0.13**	**2.27**
Depreciation	-	0.05	0.05
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2016	**2.14**	**0.18**	**2.32**
Carrying amount as at 1 April 2015	**-**	**0.09**	**0.09**
Carrying amount as at 31 March 2016	**-**	**0.04**	**0.04**
Gross carrying amount as at 1 April 2016	**2.14**	**0.22**	**2.36**
Other additions	0.50	-	0.50
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2017	**2.64**	**0.22**	**2.86**
Accumulated depreciation as at 1 April 2016	**2.14**	**0.18**	**2.32**
Depreciation	-	0.04	0.04
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2017	**2.14**	**0.22**	**2.36**
Carrying amount as at 1 April 2016	**-**	**0.04**	**0.04**
Carrying amount as at 31 March 2017	**0.50**	**-**	**0.50**

4 Loans

(Unsecured, considered good unless otherwise stated)

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Loans and advances to other than related parties			
Security deposits	0.02	0.04	-
	0.02	**0.04**	**-**

5 Deferred tax assets

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Deferred tax assets			
-Provision for depreciation	0.39	0.39	0.39
-Provision for doubtful debts and advances	3.10	3.10	3.10
-Provision for leave encashment	0.86	0.86	0.86
-Accrued Expenses	0.19	0.19	0.19
	4.54	**4.54**	**4.54**

6 Trade receivables

(Unsecured)

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Trade receivables			
- Considered good	26.34	21.76	20.81
- Considered doubtful	9.97	9.82	7.76
	36.31	31.58	28.57
Less: Allowance for bad and doubtful trade receivables	9.97	9.82	7.76
	26.34	**21.76**	**20.81**

7 Cash and bank balances

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Balances with banks			
- In current accounts	4.75	1.88	3.04
	4.75	**1.88**	**3.04**

8 Short term loans and advances

(Unsecured, considered good unless otherwise stated)

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Loans and advances to related parties (Refer note 25)			
- Dues from Related Parites	-	0.15	3.77
Loans and advances to other than related parties			
Other loans and advances			
- Security deposits	0.04	0.01	0.04
	0.04	**0.16**	**3.81**

9 Other current financials assets

(Unsecured, considered good unless otherwise stated)

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Unbilled revenue	4.90	2.76	1.22
	4.90	**2.76**	**1.22**

10 Other current assets

(Unsecured, considered good unless otherwise stated)

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Advance rentals	0.00*	0.00*	-
Employee advances	0.01	0.04	0.01
Advance to suppliers	0.21	0.30	0.04
Prepaid expenses	0.11	0.01	0.14
Others	0.05	0.03	-
	0.38	**0.38**	**0.19**

* Since denominated in million

11 Share capital

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Authorised:			
1000 Shares common stock without par value			
Issued subscribed and fully paid up:			
1000 (2016 : 1000) Shares of the common stock without par value fully paid	5.11	5.11	5.11
	5.11	**5.11**	**5.11**

12 Long term borrowings

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Loans and advances from related parties (Unsecured)			
Loan from KPIT Infosystems Inc.	-	-	18.25
Loan from KPIT Infosystems Incorporated, USA	-	0.50	-
Loan from KPIT Technologies Corporation, Canada	-	0.75	-
	-	**1.25**	**18.25**

13 Long term provisions

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits			
- Compensated Absences	1.37	1.36	1.54
	1.37	**1.36**	**1.54**

14 Short term borrowings

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Loans repayable on demand from banks (secured) :			
Working capital loan	-	-	2.50
	-	**-**	**2.50**

15 Trade payables

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Trade payables	13.90	10.59	13.12
	13.90	**10.59**	**13.12**

16 Other current financial liabilities

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Current maturities of long term debt			
-From KPIT Infosystems Incorporated, USA	15.75	16.75	-
-From KPIT Technologies Corporation, Canada	0.75	-	-
Other than trade payables :			
Accrued employee costs	3.05	2.97	2.67
Interest accrued and due	0.41	0.44	0.82
Payable to related parties	0.36	0.59	0.15
	20.32	**20.75**	**3.64**

17 Other current liabilities

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Unearned revenue	1.84	0.94	-
Statutory remittances	0.87	0.75	2.01
	2.71	**1.69**	**2.01**

18 Short-term provisions

(Currency - USD Million)

	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefit			
- Compensated Absences	0.44	0.55	0.80
	0.44	**0.55**	**0.80**

19 Revenue from operations

	31 March 2017	31 March 2016
Software services	96.49	79.48
	96.49	**79.48**

20 Other income

	31 March 2017	31 March 2016
Interest income	0.04	-
Foreign exchange gain (net)	0.01	-
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	0.03	0.25
	0.08	**0.25**

21 Employee benefits expense

	31 March 2017	31 March 2016
Salaries, wages and incentives	39.94	37.59
Staff welfare expenses	0.11	0.10
	40.05	**37.69**

22 Finance costs

	31 March 2017	31 March 2016
Interest expense	0.50	0.46
	0.50	**0.46**

23 Other expenses

	31 March 2017	31 March 2016
Travel and overseas expenses (net)	2.02	2.52
Transport and conveyance (net)	0.33	0.64
Cost of service delivery (net)	17.35	10.71
Cost of professional sub-contracting (net)	19.37	17.51
Recruitment and training expenses	0.17	0.28
Rent	0.31	0.43
Insurance	0.01	0.63
Rates & taxes	0.06	0.12
Communication expenses (net)	0.11	0.18
Legal and professional fees	6.66	1.82
Marketing expenses	0.81	0.25
Loss on sale of fixed assets(net)	-	0.09
Printing & stationery	0.01	0.02
Bad debts written off	0.63	0.17
Provision for doubtful debts, unbilled revenue and advances (net)	0.23	2.06
Miscellaneous expenses (net)	0.12	0.52
	48.19	**37.95**

Note

Certain expenses are net of recoveries/reimbursements from customers.

24 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2017.

25 Related party transactions:

A. Relationship with parent and other subsidiaries

Relationship	Name of related party
Ultimate Holding Company	KPIT Technologies Limited, India
Holding Company	KPIT Infosystems Incorporated, USA
Fellow Subsidiary Companies	KPIT Technologies Corporation, Canada
	SYSTIME Computer Corporation, USA
	KPIT (Shanghai) Software Technology Co. Limited, China
	CPG Solutions LLC, USA (merged with KPIT Infosystems Incorporated, USA w.e.f. 1 January 2016)
	KPIT Technologies (UK) Ltd
	KPIT Technologies Soluções EM Informática Ltda.
	KPIT Technologies GmbH, Germany
	KPIT Infosystems Limited Filial UK, Sweden
	KPIT Technologies France

B. Transactions with related parties

Sr. no.	Name of the related party	Amount of transaction 2016-17 (USD Million)	Balance as at 31 March 2017 (USD Million)	Amount of transaction 2015-16 (USD Million)	Balance as at 31 March 2016 (USD Million)
1	**KPIT Technologies Limited, India**				
	Software service charges	11.33	(6.05)	7.27	(5.08)
	Sale of software services	0.00	0.00	0.00	0.00
	Advance received (net)	0.00	(0.03)	(0.02)	(0.19)
	Reimbursement of expenses	0.04		0.14	
2	**KPIT Technologies Corporation, Canada**				
	Software service charges	0.10	(0.03)	0.04	(0.05)
	Sale of software services	0.08	NIL	NIL	Nil
	Loan Taken	NIL	(0.77)	0.75	(0.75)
	Repayment of loan (including interest)	NIL		NIL	
	Interest expense	0.02		0.00	
3	**KPIT Infosystems Incorporated, USA**				
	Sale of software services	0.69	0.21	0.28	0.12
	Software service charges	5.13	(3.58)	2.11	0.77
	Advance given (net)	0.04	0.00	0.28	0.15
	Reimbursement of expenses	1.17		1.34	
	Loan taken	2.50	(16.14)	NIL	(17.69)
	Repayment of loan (including interest)	4.53		1.82	
	Interest expense	0.48		0.45	
4	**SYSTIME Computer Corporation, USA**				
	Reimbursement of expenses	0.04	(0.33)	0.21	(0.40)
	Advance received (net)	0.22		0.21	
	Sale of software services	1.55	0.69	0.72	0.15
	Software service charges	0.92	(0.27)	0.11	(0.11)
5	**KPIT (Shanghai) Software Technology Co. Limited, China**				
	Software service charges	0.41	(0.03)	1.21	(0.53)
6	**KPIT Technologies (UK) Ltd**				
	Software service charges	0.22	0.01	0.16	(0.14)
	Sale of software services	0.02	0.01	0.01	0.01
7	**KPIT Infosystems Limited Filial UK, Sweden**				
	Software service charges	NIL	0.00	(0.00)	0.00
8	**KPIT Technologies Soluções EM Informática Ltda.**				
	Software service charges	NIL	NIL	0.16	NIL
9	**KPIT Technologies GmbH, Germany**				
	Software service charges	0.02	(0.00)	0.00	0.00
	Sale of software services	0.12	0.12	NIL	NIL
10	**CPG Solutions LLC, USA**				
	Reimbursement of expenses	NIL	NIL	0.00	NIL
11	**KPIT Technologies France**				
	Software service charges	0.00	(0.00)	NIL	NIL

26 The carrying amount consisted of the acquired goodwill of Learn2Perform (consulting and services business). The business operations were not pursuing sales specifically with respect to this acquisition, but were yielding results on account of synergies of the combined business. The Company is unable to track separate revenue stream and it is difficult to assess the period over which benefits are expected to flow. And hence, the Company has impaired the goodwill with corresponding effect under depreciation and amortization expense in the Statement of Profit and Loss.

27 Prior year comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

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

Director Director

Place: Pune
Date: 22 April, 2017

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 accounts for the financial year ended March 31, 2017.

Financial Results

Particulars	2016-17 USD (Million)	2015-16 USD (Million)
Total Income	59.15	74.67
Net Profit / (Loss) for the year	0.21	1.23

Operations

During the year under review, total income of the Company has declined by 21% and net profit has significantly reduced by 83%.

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

SYSTIME Computer Corporation

Pune
April 22, 2017

Kishor Patil
Chairman

Balance Sheet

AS AT 31 MARCH 2017

(Amount in USD million)

	Note	31 March 2017	31 March 2016	1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3A	0.03	0.06	0.07
Intangible fixed assets	3B	0.04	-	
Financial assets				
Investments	4	-	-	-
Loans	5	-	2.97	5.11
Income tax assets (net)		0.65	0.64	1.00
Deferred tax assets	6	0.90	1.16	0.81
		1.62	**4.83**	**6.99**
Current assets				
Financial assets				
Trade receivables	7	14.74	18.84	21.63
Cash and cash equivalents	8	3.32	1.08	9.30
Loans	9	3.50	0.52	0.02
Others	10	0.81	0.85	1.73
Other current assets	11	0.06	0.08	0.64
		22.43	**21.37**	**33.32**
TOTAL		**24.05**	**26.20**	**40.31**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	0.11	0.11	0.11
Other equity		12.02	11.81	10.58
		12.13	**11.92**	**10.69**
Non-current liabilities				
Financial liabilities				
Provisions	13	1.09	0.95	0.81
		1.09	**0.95**	**0.81**
Current liabilities				
Financial liabilities				
Trade payables	14	5.54	5.53	21.41
Other	15	3.78	5.88	5.15
Other current liabilities	16	0.80	1.14	1.30
Provisions	17	0.28	0.24	0.20
Current income tax liabilities (net)		0.43	0.54	0.75
		10.83	**13.33**	**28.81**
TOTAL		**24.05**	**26.20**	**40.31**
Significant accounting policies	1			
Notes referred to above form an integral part of the financial statements	2-24			

For and on behalf of the Board of Directors of

SYSTIME Computer Corporation

Director

Director

Place: Pune
Date: 22 April, 2017

Statement of Profit and Loss

FOR THE YEAR ENDED ON 31 MARCH 2017

(Amount in USD million)

	Note	31 March 2017	31 March 2016
Revenue from operations			
Sale of services	18	58.77	74.00
Other income	19	0.38	0.67
Total income		**59.15**	**74.67**
Expenses			
Employee benefits expense	20	27.95	31.14
Depreciation and amortization	3	0.03	0.03
Other expenses	21	30.54	40.95
Total expenses		**58.52**	**72.12**
Profit before tax		**0.63**	**2.55**
Tax expenses			
Current tax		0.16	1.67
Deferred tax benefit		0.26	(0.35)
Total tax expense		**0.42**	**1.32**
Profit for the year		**0.21**	**1.23**
Other comprehensive income		-	-
Total comprehensive income		**0.21**	**1.23**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-24		

For and on behalf of the Board of Directors of
SYSTIME Computer Corporation

Director Director

Place: Pune
Date: 22 April, 2017

Statement of Cash Flows

FOR THE YEAR ENDED ON 31 MARCH 2017

(Amount in USD million)

	PARTICULARS	31 March 2017	31 March 2016
A]	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the period	0.21	1.23
	Adjustments for		
	Income tax expense	0.42	1.32
	Depreciation / Amortization	0.03	0.03
	Interest income	(0.07)	(0.13)
	Dividend income	(0.29)	-
	Operating Profit before working capital changes	0.30	2.45
	Adjustments for changes in working capital:		
	Trade receivables and unbilled revenue	4.14	3.67
	Loans, other financials assets and other assets	(0.98)	0.06
	Trade Payables	0.01	(15.88)
	Other financial liabilities, other liabilities and provisions	(2.26)	0.75
	Cash generated from operations	1.21	(8.95)
	Taxes Paid	(0.28)	(1.52)
	Net cash from operating activities (A)	**0.93**	**(10.47)**
B]	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	(0.04)	(0.02)
	Loans repaid by related parties	0.99	2.14
	Interest received	0.07	0.13
	Dividend received	0.29	-
	Net Cash from / (used in) investing activities (B)	**1.31**	**2.25**
	Net Increase / (decrease) in cash and cash equivalents (A+B)	**2.24**	**(8.22)**
	Cash & cash equivalents at close of the year (refer note 1 below)	3.32	1.08
	Cash & cash equivalents at beginning of the year (refer note 1 below)	1.08	9.30
	Cash surplus / (deficit) for the year	**2.24**	**(8.22)**

Note 1:		
Cash and cash equivalents include:		
Cheques in Hand	0.05	-
Balance with banks		
- In current accounts	3.27	1.08
Total Cash and cash equivalents	**3.32**	**1.08**
Cash and cash equivalents at the end of the year	**3.32**	**1.08**

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 the Indian Accounting Standard (Ind-AS) 7 Statement of Cash Flows.

Note 4 :

Previous year's figures have been rearranged/regrouped wherever necessary.

For and on behalf of the Board of Directors of
SYSTIME Computer Corporation

Director Director

Place: Pune
Date: 22 April, 2017

Statement of Changes in Equity

FOR THE YEAR ENDED ON 31 MARCH 2017

(Amount in USD million)

A	**Equity share capital**	
	Balance as at 1 April 2015	0.11
	Changes in equity share capital during 2015-16	-
	Balance as at 31 March 2016	**0.11**
	Changes in equity share capital during 2016-17	-
	Balance as at 31 March 2017	**0.11**

B Other equity

Particulars	Retained earnings	Total
Balance as on 01 April 2015	10.58	10.58
Profit for the year	1.23	1.23
Other comprehensive income	-	-
Total comprehensive income for the year	1.23	1.23
Balance as on 31 March 2016	**11.81**	**11.81**
Balance as on 01 April 2016	11.81	11.81
Profit for the year	0.21	0.21
Other comprehensive income	-	-
Total comprehensive income for the year	0.21	0.21
Balance as on 31 March 2017	**12.02**	**12.02**

For and on behalf of the Board of Directors of
SYSTIME Computer Corporation

Director Director

Place: Pune
Date: 22 April, 2017

Notes forming part of the Financial Statements

FOR THE YEAR ENDED ON 31 MARCH 2017

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 prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of Companies Act, 2013.

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

The Company adopted Ind-AS from April 1, 2016 and accordingly the transition was carried out, from the accounting principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the impact on transition has been recorded in opening reserves as at April 1, 2015 and all the periods presented have been restated accordingly.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Use of Estimates:

The preparation of financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

Critical accounting estimates

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

1.2 Revenue recognition:

The company derives revenues primarily from software development and related services and from the sale licenses and products. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

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 terms. Revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues.

Revenue from fixed-price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method based on costs expended subject to the cost (both incurred and expected future cost) can be identified and can be measured reliably.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Earnings in excess of billings are classified as unbilled revenue while billings in excess of earnings are classified as unearned revenue.

Maintenance revenue is recognized over the term of the underlying maintenance arrangement. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed.

The arrangements for sale of license, related services and maintenance services, those meet the criteria for considering the same as separately identifiable components. For allocating the consideration, the company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the company is unable to establish objective and reliable evidence of fair value for the software development and related services, the company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

Expenses reimbursed by customers during the project execution are recorded as a reduction to associated costs.

Interest income is recognized using effective interest rate method.

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.

The exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from other exchange differences to finance costs.

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 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment 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. Assets under construction are disclosed as capital work-in-progress.

1.6 Intangible assets

In case of internally generated intangibles, costs incurred during the research phase of a project are expensed when incurred. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized 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 capitalized 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 property, plant and equipment). Other development expenditure is recognized in the Statement of Profit and Loss as incurred.

Intangible fixed assets are derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.7 Depreciation:

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The estimated useful lives are as follows:

Type of asset	Useful life (No. of years)
Plant and equipment ([1])	4
Office Equipment ([1])	10
Furniture and fixtures ([1])	8

([1]) 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 are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Perpetual software licenses are amortized over 4 years. However, time-based software licenses are amortized over the license period.

Capitalized development costs are amortized over a period of 3 years.

1.8 Leases

Operating lease

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 recognized in the Statement of Profit and Loss on straight line basis over the term of the lease, unless the increase in rentals is in line with expected general inflation.

1.10 Earnings per share

Basic earnings per share are 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 net profit after tax for the year 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 into the functional currency at the year-end rates. The exchange differences so determined and also the realized exchange differences are recognized 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 unutilized accrued compensated absences and utilize 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 using the projected unit credit method.

1.13 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.14 Investments:

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

1.15 Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes provisions only when it has a present legal or constructive 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 provision 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-

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

   2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually 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.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

1.16 Financial Instrument

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

1.17 Employee stock option

In respect of stock options granted by the parent company, pursuant to the Group's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

2 FIRST TIME ADOPTION OF IND-AS :

2.1 Explanation of transition to Ind-AS

a. These are the Company's first Financial Statements prepared in accordance with Ind-AS.

b. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind-AS Balance Sheet as at 1 April 2015 (the Company's date of transition).

c. In preparing its opening Ind-AS Balance Sheet and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously in financial statements, prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian Generally Accepted Accounting Principles (IGAAP)). An explanation of how the transition from IGAAP to Ind-AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

2.2 Optional exemptions availed and mandatory exceptions

In preparing these Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind-AS 101 as explained below:

a. Optional exemptions availed

i. Share based payments

The Company has elected to apply the share based payment exemption available under Ind-AS 101 on application of Ind-AS 102- "Share Based Payment", to the grants that are vested before the transition date.

ii. Deemed cost

The Company has availed the exemption under Ind-AS 101 on deemed cost, where it has elected to continue with the carrying value for all of its property, plant and equipment, and intangible assets, measured as per IGAAP and use that as its deemed cost as at the date of transition to Ind-AS.

b. Mandatory exceptions from full retrospective application

i Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements are consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

2.3 Reconciliations

a. The below mentioned reconciliations provide the quantification of the effect of significant differences arising on the transition from IGAAP to Ind-AS, in accordance with Ind-AS 101 :

Reconciliation of Equity, as previously reported under IGAAP to Ind-AS for earlier periods :

(Amount in USD million)

Sr No	Nature of adjustments	March 31, 2016	April 01, 2015
A	**Equity under IGAAP**	**12.00**	**10.70**
B	**Effects of transition to Ind-AS:**		
i.	Effect of ESOP measurement and amortisation based on fair value of options	(0.08)	(0.01)
ii.	Deferred taxes on above Ind-AS adjustments		
	Total adjustments	**(0.08)**	**(0.01)**
C	**Equity under Ind-AS**	**11.92**	**10.69**

Reconciliation of Profit, as previously reported under IGAAP to Ind-AS for earlier periods :

(Amount in USD million)

Sr No	Nature of adjustments	Year ended March 31, 2016
A	**Net profit under IGAAP**	**1.30**
B	**Effects of transition to Ind-AS on Statement of Profit and Loss:**	
i.	Effect of ESOP measurement and amortisation based on fair value of options	(0.07)
ii.	Deferred taxes on above Ind-AS adjustments	
	Total adjustments	**(0.07)**
C	**Net profit for the period under Ind-AS**	**1.23**
D	**Other comprehensive income (net of tax)**	**-**
E	**Total comprehensive income**	**1.23**

b. There are no material adjustments to the cash flow statements.

3A Property, plant and equipment

Changes in the carrying amount of property, plant and equipment

(Amount in USD million)

	Plant and Equipment	Furniture and Fixtures	Office Equipments	Total
Gross carrying amount as at 1 April 2015	**0.21**	**0.05**	**0.01**	**0.27**
Other additions	0.02	-	-	0.02
Disposal/retirements/derecognition	0.05	-	-	0.05
Gross carrying amount as at 31 March 2016	**0.18**	**0.05**	**0.01**	**0.24**
Accumulated depreciation as at 1 April 2015	**0.14**	**0.05**	**0.01**	**0.20**
Depreciation	0.03	-	-	0.03
Disposal/retirements/derecognition	0.05	-	-	0.05
Accumulated depreciation as at 31 March 2016	**0.12**	**0.05**	**0.01**	**0.18**
Carrying amount as at 1 April 2015	**0.07**	**-**	**-**	**0.07**
Carrying amount as at 31 March 2016	**0.06**	**-**	**-**	**0.06**
Gross carrying amount as at 1 April 2016	**0.18**	**0.05**	**0.01**	**0.24**
Other additions	-	-	-	-
Disposal/retirements/derecognition	-	-	-	-
Gross carrying amount as at 31 March 2017	**0.18**	**0.05**	**0.01**	**0.24**
Accumulated depreciation as at 1 April 2016	**0.12**	**0.05**	**0.01**	**0.18**
Depreciation	0.03	-	-	0.03
Disposal/retirements/derecognition	-	-	-	-
Accumulated depreciation as at 31 March 2017	**0.15**	**0.05**	**0.01**	**0.21**
Carrying amount as at 1 April 2016	**0.06**	**-**	**-**	**0.06**
Carrying amount as at 31 March 2017	**0.03**	**-**	**-**	**0.03**

3B Other intangible assets

Changes in the carrying amount of other intangible assets

(Amount in USD million)

	Internally Generated Product Development Cost	Total
Gross carrying amount as at 1 April 2015	-	-
Other additions	-	-
Disposal/retirements/derecognition	-	-
Gross carrying amount as at 31 March 2016	**-**	**-**
Accumulated depreciation as at 1 April 2015	-	-
Depreciation	-	-
Disposal/retirements/derecognition	-	-
Accumulated depreciation as at 31 March 2016	**-**	**-**
Carrying amount as at 1 April 2015	-	-
Carrying amount as at 31 March 2016	**-**	**-**
Gross carrying amount as at 1 April 2016	-	-
Other additions	0.04	0.04
Disposal/retirements/derecognition	-	-
Gross carrying amount as at 31 March 2017	**0.04**	**0.04**
Accumulated depreciation as at 1 April 2016	-	-
Depreciation	-	-
Disposal/retirements/derecognition	-	-
Accumulated depreciation as at 31 March 2017	**-**	**-**
Carrying amount as at 1 April 2016	**-**	**-**
Carrying amount as at 31 March 2017	**0.04**	**0.04**

4 Non current investments

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Trade Investments (Unquoted)			
Investments in equity instruments of subsidiaries (at cost)			
SYSTIME Global Solutions LtdA, Brazil	0*	0*	0*
1,000 (Previous year 1,000) shares of BRL 1 each			
KPIT Technologies Corporation	0*	0*	0*
(erstwhile SYSTIME Global Solutions Inc., Canada)			
1 (Previous year 1) common share of CAD 1 each			
	-	**-**	**-**

* Since denominated in Million

5 Long term loans and advances

(Unsecured, considered good unless otherwise stated)

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Loans and advances to related parties			
-Loan to KPIT Infosystems ME FZE, UAE	-	2.97	5.11
	-	**2.97**	**5.11**

6 Deferred tax assets

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Deferred tax assets			
-Provision for doubtful debts and advances	-	0.66	0.47
-Provision for leave encashment	0.44	0.46	0.36
-Bad debts reserve	0.03	-	-
-Others	0.44	0.07	-
	0.91	**1.19**	**0.83**
Deferred tax liabilities			
-Provision for depreciation	0.01	0.03	0.02
	0.01	0.03	0.02
Net deferred tax asset	**0.90**	**1.16**	**0.81**

7 Trade receivables

(Unsecured)

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Trade receivables			
- Considered good	14.74	18.84	21.63
- Considered doubtful	0.08	1.41	1.04
	14.82	**20.25**	**22.67**
Less: Provision for doubtful trade receivables	0.08	1.41	1.04
	14.74	**18.84**	**21.63**

8 Cash and bank balances

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Cash and cash equivalents			
Cheques in hand	0.05	-	-
Balances with banks			
- In current accounts	3.27	1.08	9.30
	3.32	**1.08**	**9.30**

9 Short term loans and advances

(Unsecured, considered good unless otherwise stated)

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Loans and advances to related parties (Refer note 23)			
- Dues from related parties	1.52	0.52	0.02
-Loan to KPIT Infosystems ME FZE, UAE	1.98	-	-
	3.50	**0.52**	**0.02**

10 Other current financials assets

(Unsecured, considered good unless otherwise stated)

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Unbilled revenue	0.81	0.85	1.73
	0.81	**0.85**	**1.73**

11 Other current assets

(Unsecured, considered good unless otherwise stated)

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Employee advances	0.04	0.04	0.08
Advance to customer	-	0.14	0.14
Less : Provision for advances	**-**	**0.14**	**0.14**
	-	-	-
Advance to suppliers	0.02	0.04	0.55
Prepaid expenses	-	-	0.01
	0.06	**0.08**	**0.64**

12 Share capital

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Authorised:			
1,000,000 shares common stock			
Issued subscribed and fully paid up:			
204,082 (Previous year : 204,082) shares of common stock fully paid up	0.11	0.11	0.11
	0.11	**0.11**	**0.11**

13 Long term provisions

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits			
- Compensated Absences	1.09	0.95	0.81
	1.09	**0.95**	**0.81**

14 Trade payables

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Trade payables	5.54	5.53	21.41
	5.54	**5.53**	**21.41**

15 Other current financial liabilities

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Other than trade payables :			
Accrued employee costs	2.21	3.36	1.92
Payable to related parties	1.57	2.52	3.23
	3.78	**5.88**	**5.15**

16 Other current liabilities

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Unearned revenue	0.07	0.61	0.56
Statutory remittances	0.73	0.53	0.74
	0.80	**1.14**	**1.30**

17 Short-term provisions

(Amount in USD million)

	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefit			
- Compensated Absences	0.28	0.24	0.20
	0.28	**0.24**	**0.20**

18 Revenue from operations

(Amount in USD million)

	31 March 2017	31 March 2016
Software services	58.77	74.00
	58.77	**74.00**

19 Other income

(Amount in USD million)

	31 March 2017	31 March 2016
Interest income	0.07	0.13
Dividend income from current investments (non trade)	0.29	-
Foreign exchange gain (net)	0.01	-
Other non operating income	0.01	0.54
	0.38	**0.67**

20 Employee benefits expense

(Amount in USD million)

	31 March 2017	31 March 2016
Salaries, wages and incentives	27.87	31.07
Staff welfare expenses	0.08	0.07
	27.95	**31.14**

21 Other expenses

(Amount in USD million)

	31 March 2017	31 March 2016
Travel and overseas expenses (net)	2.83	3.39
Transport and conveyance (net)	0.26	0.62
Cost of service delivery (net)	14.59	20.45
Cost of professional sub-contracting (net)	11.68	13.60
Recruitment and training expenses	0.03	0.21
Power and fuel	-	0.13
Rent	-	0.25
Repairs and maintenance -		
- others	-	0.09
Insurance	-	0.09
Rates & taxes	0.01	0.03
Communication expenses (net)	0.04	0.22
Legal and professional fees	0.43	0.77
Marketing expenses	0.22	0.50
Printing & stationery	-	0.02
Bad debts written off	0.92	-
Provision for doubtful debts, unbilled revenue and advances (net)	(0.52)	-
Foreign exchange loss (net)	-	0.07
Miscellaneous expenses (net)	0.05	0.51
	30.54	**40.95**

Note

Certain expenses are net of recoveries/reimbursements from customers.

22 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2017.

23 Related party transactions:

A. Relationship with parent and other subsidiaries

Relationship	Name of related party
Holding Company	KPIT Technologies Limited, India
Subsidiary Companies (Direct Holding)	KPIT Technologies Corporation, Canada
	SYSTIME Global Solutions LtdA, Brazil
Fellow Subsidiary Companies	KPIT Infosystems Incorporated, USA
	KPIT Technologies France
	KPIT Infosystems ME FZE (Australia Branch)
	KPIT Infosystems ME FZE (Korea Branch)
	KPIT Infosystems ME FZE, Dubai
	CPG Solutions LLC, USA (merged with KPIT Infosystems Incorporated, USA w.e.f. 1 January 2016)
	KPIT Technologies (UK) Ltd
	KPIT Infosystems Limited Filial UK, Sweden
	KPIT Technologies Soluções Em Informática Ltda., Brasil
	KPIT Technologies Netherlands B.V.
	KPIT Technologies GmbH, Germany
	Sparta Consulting Inc. USA

B. Transactions with related parties

Sr. no.	Name of the related party	Amount of transaction 2016-17 (USD Million)	Balance as at 31 March 2017 (USD Million)	Amount of transaction 2015-16 (USD Million)	Balance as at 31 March 2016 (USD Million)
1	**KPIT Technologies Limited, India**				
	Advance received (net)	0.05		0.07	
	Reimbursement of expenses	0.44	(0.14)	2.16	(1.62)
	Software service charges	9.84	(3.60)	15.90	(3.40)
	Sale of software services	0.15	0.10	NIL	NIL
2	**KPIT Technologies Corporation, Canada**				
	Software service charges	0.17	(0.02)	0.09	(0.21)
	Sale of software services	1.41	0.20	0.38	0.43
	Reimbursement of expenses	1.25	(1.42)	0.00	(0.91)
	Advance received (net)	1.24		0.72	
3	**KPIT Infosystems Incorporated, USA**				
	Sale of software services	16.79	7.98	15.29	7.52
	Software service charges	2.94	(0.24)	1.81	(0.44)
	Advance given (net)	NIL		3.00	
	Advance received (net)	1.96	1.18	NIL	0.04
	Reimbursement of expenses	1.28		0.06	
4	**KPIT Technologies France**				
	Sale of software services	0.17	0.00	1.10	0.16
	Software service charges	NIL	(0.01)	0.01	(0.01)
	Reimbursement of expenses	NIL	NIL	0.00	0.00
5	**KPIT Infosystems ME FZE (Korea Branch)**				
	Sale of software services	NIL	0.00	0.00	0.00
6	**KPIT Infosystems ME FZE (Australia Branch)**				
	Sale of software services	0.00	0.03	0.01	0.02
	Software service charges	0.00	0.00	NIL	NIL
7	**KPIT Infosystems ME FZE, Dubai**				
	Loan given (including interest)	NIL		0.75	
	Repayment of Loan (including interest)	1.06	1.98	3.02	2.97
	Interest income on loan	0.07		0.13	
8	**CPG Solutions LLC, USA**				
	Sale of software services	NIL	NIL	0.35	NIL
	Software service charges	NIL	NIL	1.56	NIL
9	**KPIT Technologies (UK) Ltd**				
	Software service charges	0.03	(0.02)	0.28	(0.19)
	Reimbursement of expenses	NIL	NIL	0.00	0.08
	Advance given (net)	NIL		0.07	
	Sale of software services	0.19	0.13	0.07	0.03
10	**KPIT Technologies Soluções Em Informática Ltda., Brasil**				
	Software service charges	0.06	NIL	0.12	(0.00)
11	**KPIT Technologies GmbH, Germany**				
	Sale of software services	0.00	0.00	0.00	0.00
	Software service charges	0.01	(0.01)	NIL	NIL
12	**Sparta Consulting Inc. USA**				
	Sale of software services	0.92	0.27	0.11	0.11
	Software service charges	1.55	(0.69)	0.72	(0.15)
	Advance given (net)	0.22		0.21	
	Reimbursement of expenses	0.04	0.33	0.21	0.40
13	**KPIT Technologies Netherlands B.V.**				
	Sale of software services	0.01	0.00	0.04	0.03
14	**KPIT Infosystems Limited Filial UK, Sweden**				
	Software service charges	NIL	0.00	0.00	(0.00)
	Sale of software services	0.02	0.02	NIL	NIL

24 Prior year comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

For and on behalf of the Board of Directors of
SYSTIME Computer Corporation

Director   Director

Place: Pune
Date: 22 April, 2017

KPIT Technologies Corporation

Registered Office: 8120-128 Street, Surrey BC V3W 1R1, Canada.

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 accounts for the financial year ended March 31, 2017.

Financial Results

Particulars	2016-17 CAD (Million)	2015-16 CAD (Million)
Total Income	17.18	11.71
Net Profit / (Loss) for the period	0.76	1.71

Operations

During the year under review, total income of the Company increased by 47%. However, the net profit has declined by 56%.

Audit

The Company is required by the local laws to have an independent audit firm to audit the books of accounts of the Company and to issue a report to the shareholders. However, such requirement is waived by shareholders by passing a resolution. Therefore, 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 Technologies Corporation

Pune
April 22, 2017

Kishor Patil
Chairman

Balance Sheet

31 MARCH 2017

(Currency - CAD Million)

	Note	31 March 2017	31 March 2016	01 April 2015
ASSETS				
Non-current assets				
Financial assets				
Loans	3	-	0.98	1.84
Income tax assets (net)		0.17	-	0.06
		0.17	**0.98**	**1.90**
Current assets				
Financial assets				
Trade receivables	4	6.99	4.71	4.20
Cash and cash equivalents	5	1.90	2.71	0.92
Loans	6	2.95	1.25	0.27
Other current assets	7	0.42	0.48	0.42
		12.26	**9.15**	**5.81**
TOTAL		**12.43**	**10.13**	**7.71**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	8	0.00	0.00	0.00
Other equity		7.38	6.62	4.92
		7.38	**6.62**	**4.92**
Liabilities				
Current liabilities				
Financial liabilities				
Trade payables	9	3.23	2.64	1.44
Other	10	0.30	0.32	0.21
Other current liabilities	11	1.36	0.36	0.58
Short-term provisions	12	0.16	0.12	0.08
Current income tax liabilities (net)		-	0.07	0.48
		5.05	**3.51**	**2.79**
TOTAL		**12.43**	**10.13**	**7.71**
Significant accounting policies	1			
Notes referred to above form an integral part of the financial statements	2-20			

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

Director   Director

Place: Pune
Date: 22 April 2017

Statement of Profit and Loss

FOR THE YEAR ENDED ON 31 MARCH 2017

(Currency - CAD Million)

	Note	31 March 2017	31 March 2016
Revenue from operations			
Sale of services	13	17.15	11.69
Other income	14	0.03	0.02
Total income		**17.18**	**11.71**
Expenses			
Employee benefits expense	15	5.94	4.07
Finance costs	16	0.03	0.04
Other expenses	17	10.08	5.51
Total expenses		**16.05**	**9.62**
Profit before tax		**1.13**	**2.09**
Tax expense			
Current tax		0.37	0.38
Total tax expense		**0.37**	**0.38**
Profit for the year		**0.76**	**1.71**
Other comprehensive income		-	-
Total comprehensive income		**0.76**	**1.71**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-20		

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

Director   Director

Place: Pune
Date: 22 April 2017

Statement of Cash Flows

FOR THE YEAR ENDED ON 31 MARCH 2017

(Currency - CAD Million)

	PARTICULARS	31 March 2017	31 March 2016
A]	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the period	0.76	1.71
	Adjustments for		
	Income tax expense	0.37	0.38
	Interest income	(0.03)	(0.02)
	Unrealised foreign exchange Loss	0.04	0.17
	Operating Profit before working capital changes	1.14	2.24
	Adjustments for changes in working capital:		
	Trade Payables	0.58	1.28
	Other financial liabilities, other liabilities and provisions	1.02	(0.07)
	Trade Recievables	(2.33)	(0.76)
	Other current assets	(0.61)	(1.05)
	Cash generated from operations	(0.20)	1.64
	Taxes Paid	(0.61)	(0.74)
	Net cash from operating activities (A)	**(0.81)**	**0.90**
B]	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Loan given to related parties	-	0.86
	Interest received	-	0.02
	Net Cash from / (used in) investing activities (B)	**-**	**0.88**
	Net Increase / (decrease) in cash and cash equivalents (A + B)	**(0.81)**	**1.79**
	Cash & cash equivalents at close of the year (refer note 1 below)	1.90	2.71
	Cash & cash equivalents at beginning of the year (refer note 1 below)	2.71	0.92
	Cash surplus / (deficit) for the year	**(0.81)**	**1.79**
Note 1:			
Cash and cash equivalents include:			
Balance with banks			
- In current accounts		1.90	2.71
Total Cash and cash equivalents		**1.90**	**2.71**

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 the Indian Accounting Standard (Ind-AS) 7 Satement of Cash Flows.

Note 4 :

Previous year’s figures have been rearranged/regrouped wherever necessary.

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

Director Director

Place: Pune
Date: 22 April 2017

Statement of Changes in Equity

(Currency - CAD Million)

A	**Equity share capital**	
	Balance as at 1 April 2015	0.00*
	Changes in equity share capital during 2015-16	-
	Balance as at 31 March 2016	**0.00***
	Changes in equity share capital during 2016-17	-
	Balance as at 31 March 2017	**0.00***
	* Since denominated in million	

B	**Other equity**		
	Particulars	**Retained earnings**	**Total**
	Balance as on 01 April 2015	4.91	4.91
	Total comprehensive income for the year 2015-16	1.71	1.71
	Balance as on 31 March 2016	**6.62**	**6.62**
	Total comprehensive income for the year 2016-17	0.76	0.76
	Balance as on 31 March 2017	**7.38**	**7.38**

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

Director Director

Place: Pune
Date: 22 April 2017

Notes forming part of the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2017

Company Overview:

KPIT Technologies Corporation ("the Company") 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 have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of Companies Act, 2013.

The financial statements are presented in canadian Dollars ("CAD") and are rounded off to nearest CAD Million.

The Company adopted Ind-AS from April 1, 2016 and accordingly the transition was carried out, from the accounting principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the impact on transition has been recorded in opening reserves as at April 1, 2015 and all the periods presented have been restated accordingly.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Use of Estimates:

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

1.2 Revenue recognition:

The company derives revenues primarily from software development and related services and from the sale licenses and products. Arrangements with customers for software related services are either on a fixed-price or on a time-and-material basis.

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 terms. Revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues.

Revenue from fixed-price contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method based on costs expended subject to the cost (both incurred and expected future cost) can be identified and can be measured reliably.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Earnings in excess of billings are classified as unbilled revenue while billings in excess of earnings are classified as unearned revenue.

Maintenance revenue is recognized over the term of the underlying maintenance arrangement. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed.

The arrangements for sale of license, related services and maintenance services, those meet the criteria for considering the same as separately identifiable components. For allocating the consideration, the company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the company is unable to establish objective and reliable evidence of fair value for the software development and related services, the company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

Expenses reimbursed by customers during the project execution are recorded as a reduction to associated costs.

Interest income is recognized using effective interest rate method.

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.

The exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs, are regrouped from other exchange differences to finance costs.

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 Impairment

Financial assets

The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit or Loss.

1.6 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.7 Leases

Operating lease

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 recognized in the Statement of Profit and Loss on straight line basis over the term of the lease, unless the increase in rentals is in line with expected general inflation.

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 into the functional currency at the year-end rates. The exchange differences so determined and also the realized exchange differences are recognized 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 using the projected unit credit method.

1.10 Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes provisions only when it has a present legal or constructive 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 provision 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-

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

    2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually 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.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognizes any impairment loss on the assets associated with that contract.

1.11 Financial Instrument

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

2 FIRST TIME ADOPTION OF IND-AS :

2.1 Explanation of transition to Ind-AS

a. These are the Company's first Financial Statements prepared in accordance with Ind-AS.

b. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind-AS Balance Sheet as at 1 April 2015 (the Company's date of transition).

c. In preparing its opening Ind-AS Balance Sheet and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously in financial statements, prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian Generally Accepted Accounting Principles (IGAAP)). An explanation of how the transition from IGAAP to Ind-AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

2.2 Exemption available under Ind-AS 101- "First-time Adoption of Indian Accounting Standards"

In preparing these Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind-AS 101 as explained below:

Exceptions from full retrospective application

Estimates

Upon an assessment of the estimates made under IGAAP, the Company has concluded that there was no necessity to revise such estimates under Ind-AS, except where estimates were required by Ind-AS and not required by IGAAP.

3 Loans

(Unsecured, considered good unless otherwise stated)

(Currency - CAD Million)

	31 March 2017	31 March 2016	01 April 2015
Loans and advances to related parties			
-Loan to Sparta Consulting Inc., USA	-	0.98	-
-Loan to KPIT Infosystems Inc., USA	-	-	1.84
	-	**0.98**	**1.84**

4 Trade receivables

(Unsecured)

(Currency - CAD Million)

	31 March 2017	31 March 2016	01 April 2015
Trade receivables			
- Considered good	6.99	4.71	4.20
- Considered doubtful	-	0.22	0.19
Less: Allowances for doubtful trade receivables	-	0.22	0.19
	6.99	4.71	4.20
	6.99	**4.71**	**4.20**

5 Cash and bank balances

(Currency - CAD Million)

	31 March 2017	31 March 2016	01 April 2015
Balances with banks			
- In current accounts	1.90	2.71	0.92
	1.90	**2.71**	**0.92**

6 Short term loans and advances

(Unsecured, considered good unless otherwise stated)

(Currency - CAD Million)

	31 March 2017	31 March 2016	01 April 2015
Loans and advances to related parties (Refer note 19)			
- Receivables from related parties	1.89	1.23	0.24
- Loan to Sparta Consulting Inc., USA	1.03	-	-
Loans and advances to other than related parties			
Other loans and advances			
- Employee advances	0.03	0.02	0.03
- Advance to suppliers	0.01	-	-
	2.95	**1.25**	**0.27**

7 Other current assets

(Unsecured, considered good unless otherwise stated)

(Currency - CAD Million)

	31 March 2017	31 March 2016	01 April 2015
Unbilled revenue	0.42	0.48	0.42
	0.42	**0.48**	**0.42**

8 Share capital

(Currency - CAD Million)

	31 March 2017	31 March 2016	01 April 2015
Issued subscribed and fully paid up:			
100 (2016 : 100) Class A voting common shares with no par value fully paid up	0.00*	0.00*	0.00*
	0.00*	**0.00***	**0.00***

* Since denominated in million

9 Trade payables

(Currency - CAD Million)

	31 March 2017	31 March 2016	01 April 2015
Trade payables	3.23	2.64	1.44
	3.23	**2.64**	**1.44**

10 Other current financial liabilities

(Currency - CAD Million)

	31 March 2017	31 March 2016	01 April 2015
Other than trade payables :			
Accrued employee costs	0.21	0.29	0.19
Payable to related parties	0.09	0.03	0.02
	0.30	**0.32**	**0.21**

11 Other current liabilities

(Currency - CAD Million)

	31 March 2017	31 March 2016	01 April 2015
Unearned revenue	0.48	0.12	0.45
Statutory Liabilities	0.88	0.24	0.14
	1.36	**0.36**	**0.58**

12 Short-term provisions

(Currency - CAD Million)

	31 March 2017	31 March 2016	01 April 2015
Provision for employee benefit			
- Compensated Absences	0.16	0.12	0.08
	0.16	**0.12**	**0.08**

13 Revenue from operations

(Currency - CAD Million)

	31 March 2017	31 March 2016
Software services	17.15	11.69
	17.15	**11.69**

14 Other income

(Currency - CAD Million)

	31 March 2017	31 March 2016
Interest income	0.03	0.02
	0.03	**0.02**

15 Employee benefits expense

(Currency - CAD Million)

	31 March 2017	31 March 2016
Salaries, wages and incentives	5.93	4.06
Staff welfare expenses	0.01	0.01
	5.94	**4.07**

16 Finance costs

(Currency - CAD Million)

	31 March 2017	31 March 2016
Interest expense	0.03	0.04
	0.03	**0.04**

17 Other expenses

(Currency - CAD Million)

	31 March 2017	31 March 2016
Travel and overseas expenses (net)	0.18	(0.01)
Transport and conveyance (net)	0.03	0.04
Cost of service delivery (net)	7.92	4.05
Cost of professional sub-contracting (net)	1.95	1.15
Recruitment and training expenses	-	0.01
Rent	0.02	0.01
Rates & taxes	0.07	0.06
Legal and professional fees	0.04	0.07
Marketing expenses	0.02	0.02
Foreign exchange loss (net)	-	0.16
Provision for doubtful debts and advances (net)	(0.15)	(0.05)
	10.08	**5.51**

Note

Certain expenses are net of recoveries/reimbursements from customers.

18 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2017.

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
Fellow Subsidiary Companies	KPIT Infosystems Incorporated, USA
	KPIT Infosystems ME FZE Australia Branch
	KPIT Technologies (UK) Ltd
	KPIT Technologies GmbH, Germany
	Sparta Consulting Inc. USA
	CPG Solutions LLC, USA (merged with KPIT Infosystems Incorporated, USA w.e.f. 1 January 2016)
	KPIT Technologies France
	KPIT Infosystems Limited Filial UK, Sweden

B. Transactions with related parties

Sr. no.	Name of the related party	Amount of transaction 2016-17 (CAD miilion)	Balance as at 31 March 2017 (CAD Million)	Amount of transaction 2015-16 (CAD miilion)	Balance as at 31 March 2016 (CAD Million)
1	**KPIT Technologies Limited, India**				
	Advance Received (Net)	0.03		NIL	
	Advance Given (Net)	NIL	(0.09)	0.01	(0.02)
	Reimbursement of expenses	0.26		0.00	
	Sale of software services	0.00	0.00	NIL	NIL
	Software service charges	5.33	(1.97)	2.72	(1.27)
2	**SYSTIME Computer Corporation, USA**				
	Advance Given (Net)	1.62	1.89	0.95	1.18
	Reimbursement of expenses	1.67		0.00	
	Sale of software services	0.22	0.03	0.12	0.28
	Software services charges	1.86	(0.27)	0.51	(0.56)
3	**KPIT Infosystems Incorporated, USA**				
	Reimbursement of expenses	0.01	(0.00)	0.03	0.03
	Repayment of loan (including interest)	NIL	NIL	1.90	NIL
	Interest income	NIL		0.02	
	Software service charges	0.24	(0.06)	0.14	(0.13)
	Sale of software services	0.33	0.04	0.32	0.22
4	**KPIT Infosystems ME FZE Australia Branch**				
	Sale of Software service	0.00	0.01	0.00	0.01
5	**KPIT Technologies (UK) Ltd**				
	Sale of software services	0.02	0.19	0.42	0.17
	Software service charges	0.25	(0.13)	0.13	(0.13)
6	**CPG Solutions LLC, USA**				
	Software service charges	NIL	NIL	0.09	NIL
	Reimbursement of expenses	NIL	NIL	0.00	NIL
7	**KPIT Technologies GmbH, Germany**				
	Software service charges	0.14	(0.23)	0.31	(0.09)
8	**Sparta Consulting Inc. USA**				
	Sale of software services	0.13	0.05	0.05	0.07
	Software service charges	0.10	NIL	NIL	NIL
	Loan given (including interest)	NIL	1.03	1.00	0.98
	Interest income	0.03		0.00	
9	**KPIT Technologies France**				
	Sale of software services	0.05	0.07	0.17	0.02
	Software service charges	NIL	(0.00)	0.00	(0.00)
10	**KPIT Infosystems Limited Filial UK, Sweden**				
	Sale of software services	0.03	0.03	NIL	NIL
	Software service charges	NIL	(0.00)	0.00	(0.00)

20 Prior year comparitives :

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

For and on behalf of the Board of Directors of

KPIT Technologies Corporation

Director Director

Place: Pune
Date: 22 April 2017

KPIT Technologies Soluções em Informática Ltda

Registered Office: Av. Angélica, 1920 – 2º andar – Consolação CEP 01228-200 – São Paulo / SP- Brasil

Board's Report

Dear Shareholders,

Your Directors are pleased to present herewith the Fifth report on the operations of the Company together with the audited accounts for the financial year ended March 31, 2017.

Financial Results

Particulars	2016-17 R$	2015-16 R$
Net Revenue	16,681,829	20,964,112
Profit / (Loss) for the year	(3,967,800)	(2,708,972)

Operations

During the year under review, total revenues of the Company decreased by 20% resulting in further losses.

Share Capital

During the year under review, the Company has received an advance of R$ 2,900,233 from KPIT Infosystems Incorporated, the parent company, towards future capital increase.

Audit

The Company appointed Actual Contabilidade 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.

Pune
April 19, 2017

Kishor Patil
Chairman

REVIEW REPORT OF FINANCIAL STATEMENTS

(Convenience Translation into English from the Original Previously Issued in Portuguese)

To

The Management of

KPIT Technologies Soluções em Informática Ltda. São Paulo - SP

Qualified opinion

We reviewed the financial statements of KPIT Technologies Soluções em Informática Ltda. ("Company") comprising the balance sheet on March 31st, 2017 and respective income statements, changes in shareholders' equity, and cash flow for the year ended on such date, as well as the summary of the main accounting polices and explanatory notes, comprising the significant accounting practices and other clarifying information.

Based on our review, except for the matter described in the "Base for conclusion for qualified opinion", 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, 2017, the results of its operations and its cash flows for the year ended in such date in accordance with accounting practices adopted in Brazil and international financial report standards (IFRS) issued by International Accounting Standards Board (IASB).

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.

Our review was carried out according to Brazilian and International audit standards. Our responsibilities, in accordance with such standards, are described in the following section titled "Auditor's responsibility for the audit of the financial statements". We are independent in relation to the Company in accordance with the relevant ethical principles set out in the Code of Ethics of Professional Accountants and professional standards issued by the Federal Accounting Council and have complied with other ethical responsibilities according to these standards.

We believe the evidence obtained by audit is enough and proper to establish the grounds for our qualified opinion.

Management's liability on the financial statements

Company's management is liable for preparing and submitting the financial statements according to the accounting practices adopted in Brazil according to the international standards for financial report (IRFS) issued by International Accounting Standards Board – (IASB) and the internal control determined as necessary to allow preparing such financial statements free from relevant misstatement irrespective if caused by fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue operational, disclosing, as applicable, issues related to its operational continuity and using the this accounting basis in the preparation of the financial statements unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to avoid closing the operations.

Auditor's responsibility for the audit of the financial statements

Our goals are to obtain reasonable assurance that the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with Brazilian and international standards will always detect a material misstatement when it exists. Misstatements should arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit carried out in accordance with Brazilian and International Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the relevant risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Understand internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going operational accounting basis and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability for operational continuity of Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report, however, adverse events or future conditions may eventually cause the Company to no longer remain in operational continuity.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the correspondent transactions and events in a manner compatible with proper presentation.
- Audit evidence was obtained, suitable and sufficient, regarding financial information to express an opinion on the financial statements. We are responsible for the guidance, supervision and performance of the audit and, consequently, for the audit opinion.

We communicate with the responsible for governance regarding, among other issues, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

São Paulo, April 19, 2017

Actual Contabilidade Ltda.
CRC-SP - 2SP024780/O-6

Rodrigo Aparecido Leme de Oliveira
Contador CRC - 1SP309141/O-1

Balance Sheets

AS OF MARCH 31, 2017 AND 2016
(In Brazilian reais without cents)

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	517,173	619,961
Accounts receivable	1,490,306	2,722,002
Advances to suppliers	-	97,298
Advances to employees	18,418	97,985
Recoverable taxes	1,371,649	1,058,665
	3,397,546	4,595,911
Non-Current assets:		
Property, plant and equipment	127,323	93,801
	127,323	93,801
	3,524,869	4,689,712
Liabilities		
Current liabilities:		
Suppliers	16,683	83,762
Taxes and contributions payable	235,671	155,245
Payroll and related charges	827,920	207,498
Accrued vacations and related charges	784,974	884,231
Accrued consulting fees	476,153	682,712
Accrued bonus	801,818	335,667
Other accruals	56,814	102,228
	3,200,033	2,451,343
Non-Current liabilities:		
Accrued for labor claims	-	45,966
Intercompany Loan Agreement	-	800,000
	-	845,966
Shareholders' equity:		
Capital stock	1,122,145	1,122,145
Accumulated profits / (loss)	(3,697,542)	270,258
	(2,575,397)	1,392,403
Advanced for future capital increase	2,900,233	-
	324,836	1,392,403
	3,524,869	4,689,712

The accompanying notes are an integral part of these financial statements.

Income Statements

FOR THE YEARS ENDED MARCH 31, 2017 AND 2016
(In Brazilian reais without cents, except loss per sharequota)

	2017	2016
Gross revenue:		
Services revenue - domestic market	12,871,391	18,203,774
Services revenue - foreign market	5,148,059	4,582,534
	18,019,450	22,786,308
Deductions:		
Sales Taxes	(1,337,621)	(1,822,196)
Operational net revenue	16,681,829	20,964,112
Cost of services rendered	(7,402,260)	(10,789,993)
Gross profit	9,279,569	10,174,119
Operational expenses		
Selling expenses	(538,249)	(608,136)
Administrative and general expenses	(12,224,689)	(12,587,571)
Tax expenses	(164,424)	(44,859)
Finance (expenses) revenues, net	(364,135)	173,840
	(13,291,497)	(13,066,726)
Loss before financial result	(4,011,928)	(2,892,607)
Income and Social contributions tax	44,128	183,635
Loss for the year	(3,967,800)	(2,708,972)
Loss per sharequota	(3.54)	(2.41)

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

FOR THE YEARS ENDED MARCH 31, 2017 AND 2016
(In Brazilian reais without cents)

	Capital Stock	Accumulated profits / (loss)	Advanced for future capital increase	Total
Balances at April 1, 2015	1,122,145	2,979,230	-	4,101,375
Loss for the year	-	(2,708,972)	-	(2,708,972)
Balances at March 31, 2016	1,122,145	270,258	-	1,392,403
Advance for future capital increase			2,900,233	2,900,233
Loss for the year		(3,967,800)		(3,967,800)
Balances at March 31, 2017	1,122,145	(3,697,542)	2,900,233	324,836

The accompanying notes are an integral part of these financial statements.

Cash Flow Statements

FOR THE YEARS ENDED MARCH 31 2017, AND 2016
(In Brazilian reais without cents)

	2017	2016
CASH FLOW OF OPERATIONAL ACTIVITIES		
Loss for the year	(3,967,800)	(2,708,972)
Adjustments to reconcile the fiscal year net profit with Cash		
generated by operational activities:		
Depreciation and amortization	32,287	24,663
Decrease (Increase) in the operational assets:		
Accounts receivable from clients	1,231,696	1,892,766
Advances to suppliers	97,298	(91,008)
Advances to employees	79,567	(75,224)
Recoverable taxes	(312,984)	(618,505)
Increase (decrease) in the operational liabilities:		
Suppliers	(67,079)	(11,559)
Taxes and contributions payable	80,426	19,741
Salaries and Labor Taxes payable	620,422	2,219
Accrued vacations and related charges	(99,257)	230,934
Accrued consulting fees	(206,559)	534,083
Accrued bonus	466,151	31,000
Accrued for labor claims	(45,966)	-
Intercompany Loan Agreement	(800,000)	-
Other accruals	(45,414)	29,639
Cash invested in operational activities	(2,937,212)	(740,223)
CASH FLOW OF INVESTMENTS ACTIVITIES		
Guarantee deposit - rent	-	10,750
Fixed assets acquisition	(65,809)	(15,012)
Cash invested on activities of investments	(65,809)	(4,262)
CASH FLOW OF FINANCIAL ACTIVITIES		
Advanced for future capital increase	2,900,233	-
DECREASE OF AVAILABLE FUNDS BALANCE	(102,788)	(744,485)
CASH AND CASH EQUIVALENTS		
Opening Balance	619,961	1,364,446
Ending Balance	517,173	619,961
DECREASE OF AVAILABLE FUNDS BALANCE	(102,788)	(744,485)

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

YEARS ENDED MARCH 31, 2017 AND 2016
(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, 2017, the company considers there will be no effects to be taken into account in the Financial Statements.

On April 17th, 2017, 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 31, 2017.

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

	2017	2016
Cash and Cash Equivalents	27,899	45,064
Investments	489,274	574,897
	517,173	**619,961**

5 ACCOUNTS RECEIVABLE

	2017	2016
Domestic sales	986,025	1,633,614
Foreign Sales – related parties	434,888	779,969
Foreign Sales – non related parties	-	161,432
Reimbursable expenses	245,362	146,987
Allowance for doubtful accounts	(175,969)	-
	1,490,306	2,722,002

6 TRANSACTIONS WITH RELATED PARTIES

The transactions with related parties consist basically of information technologies services to enterprises abroad as showed below:

	2017	2016
Current Assets – Accounts receivable:		
KPIT India (Pure Circle)	174,711	120,060
KPIT US (Cummins)	169,205	201,956
Systime US	-	16,762
KPIT Sweden	-	93,042
KPIT Technologies US	-	22,604
KPIT Infosystems Limited	-	325,545
KPIT US (WTF)	24.487	-
KPIT US (NOV)	15.492	-
KPIT UK (Unilever)	50.993	-
	434,888	**779,969**

The transactions performed during the year were the following:

	2017	2016
Vendas de serviços:		
KPIT US (Cummins)	2,568,108	2,544,827
KPIT Sweden	320,682	643,064
KPIT US (Praxair)	-	70,341
KPIT India (Pure Circle)	1,199,164	46,610
KPIT US (Epson)	-	498,272
KPIT Technologies WFS	-	24,466
KPIT Infosystems Limited	-	507,363
KPIT Technologies Oshkosh	51,341	133,847
Systime US	197,387	245,210
KPIT US (WTF)	23,881	-
KPIT US (NOV)	15,109	-
KPIT US (Continental Hugo)	34,628	-
KPIT UK (Unilever)	299,329	-
KPIT UK (IMI)	57,609	-
	4,767,238	**4,714,000**

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:

Shareholder	**Number of Sharequotas**
KPIT Cummins Infosystems Limited	1,000
KPIT Infosystems Incorporated	1,121,145
	1,122,145

Microfuzzy KPIT Tecnologia Ltda.

(Formerly SYSTIME Global Solutions Ltda.)

Registered Office: Rua James Watt, 84 – 8º andar – Jardim Edith CEP 04576-050 – São Paulo / SP – Brasil

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 accounts for the financial year ended March 31, 2017.

Financial Results

Particulars	2016-17 R$	2015-16 R$
Net Revenue	1,416,372	Nil
Net Profit / (Loss) for the period	458,802	13,363

Operations

During the year under review, the Company reactivated its activities with operating revenues and cash generation.

Name Change

During the year under review, the name of the Company was changed to Microfuzzy KPIT Tecnologia Ltda.

Audit

The Company appointed Actual Contabilidade 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
MicroFuzzy KPIT Tecnologia Ltda.

Pune
April 19, 2017

Kishor Patil
Chairman

REVIEW REPORT OF FINANCIAL STATEMENTS

To

The Management of

Microfuzzy KPIT Tecnologia Ltda. (ex-Systime Global Solutions Ltda.)

São Paulo - SP

Opinion

We reviewed the financial statements of Microfuzzy KPIT Tecnologia Ltda. *(ex-Systime Global Solutions Ltda.)* ("Company") comprising the balance sheet on March 31st, 2017 and respective income statements, changes in shareholders' equity, and cash flow for the year ended on such date, as well as the summary of the main accounting polices and explanatory notes, comprising the significant accounting practices and other clarifying information.

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 Microfuzzy KPIT Tecnologia Ltda., on March 31, 2017, the results of its operations and its cash flows for the year ended in such date in accordance with accounting practices adopted in Brazil and international financial report standards (IFRS) issued by *International Accounting Standards Board (IASB).*

Basis for conclusion of 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.

Our review was carried out according to Brazilian and International audit standards. Our responsibilities, in accordance with such standards, are described in the following section titled "Auditor's responsibility for the audit of the financial statements". We are independent in relation to the Company in accordance with the relevant ethical principles set out in the Code of Ethics of Professional Accountants and professional standards issued by the Federal Accounting Council and have complied with other ethical responsibilities according to these standards.

We believe the evidence obtained by audit is enough and proper to establish the grounds for our opinion.

Management's liability on the financial statements

Company's management is liable for preparing and submitting the financial statements according to the accounting practices adopted in Brazil according to the international standards for financial report (IRFS) issued by *International Accounting Standards Board* – (IASB) and the internal control determined as necessary to allow preparing such financial statements free from relevant misstatement irrespective if caused by fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue operational, disclosing, as applicable, issues related to its operational continuity and using the this accounting basis in the preparation of the financial statements unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to avoid closing the operations.

Auditor's responsibility for the audit of the financial statements

Our goals are to obtain reasonable assurance that the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with Brazilian and international standards will always detect a material misstatement when it exists. Misstatements should arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit carried out in accordance with Brazilian and International Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the relevant risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Understand internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going operational accounting basis and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability for operational continuity of Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report, however, adverse events or future conditions may eventually cause the Company to no longer remain in operational continuity.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the correspondent transactions and events in a manner compatible with proper presentation.
- Audit evidence was obtained, suitable and sufficient, regarding financial information to express an opinion on the financial statements. We are responsible for the guidance, supervision and performance of the audit and, consequently, for the audit opinion.

We communicate with the responsible for governance regarding, among other issues, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

São Paulo, April 19, 2017

Actual Contabilidade Ltda.

CRC-SP - 2SP024780/O-6

Rodrigo Aparecido Leme de Oliveira

Contador CRC - 1SP309141/O-1

Balance Sheets

As of March 31, 2017 and 2016

(In Brazilian reais without cents)

	2017	2016		2017	2016
Current assets:			**Current liabilities:**		
Cash and cash equivalents	52,724	137,495	Taxes and contributions payable	225,722	221
Accounts receivable	704,991	26,970	Accounts payable	167	7,187
Recoverable taxes	99,233	165,987		225,889	7,408
	856,948	330,452			
Non-Current assets:					
Long Term Debt:			**Shareholders' equity:**		
Intercompany loan agreement	-	800,000	Capital stock	1,000	1,000
Property, plant and equipment	10,767	-	Accumulated profits	640,826	1,122,044
	10,767	800,000		641,826	1,123,044
	867,715	1,130,452		867,715	1,130,452

The accompanying notes are an integral part of these financial statements.

Income Statements

For the Years Ended March 31, 2017 and 2016

(In Brazilian reais without cents, except income per sharequota)

	2017	2016
Gross revenue:		
Services revenue - domestic market	1,501,189	-
Deductions:		
Sales Taxes	(84,817)	-
Operational net revenue	1,416,372	-
Cost of services rendered	(550,000)	-
Gross profit	866,372	-
Operational expenses		
Administrative and general expenses	(225,236)	(2,955)
Tax expenses	(2,471)	(2,192)
Finance (expenses) revenues, net	31,934	18,510
	(195,773)	13,363
Profit before financial result	670,599	13,363
Income and Social contributions tax	(211,797)	-
Profit for the year	458,802	13,363
Profit per sharequota	458.80	13.36

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Shareholders' Equity

For the Years Ended March 31, 2017 and 2016

(In Brazilian reais without cents)

	Capital Stock	Accumulated profits	Total
Balances at April 1st, 2015	1,000	1,108,681	1,109,681
Income for the year	-	13,363	13,363
Balances at March 31, 2016	1,000	1,122,044	1,123,044
Profit distribution	-	(940,020)	(940,020)
Income for the year	-	458,802	458,802
Balances at March 31, 2017	1,000	640,826	641,826

The accompanying notes are an integral part of these financial statements.

Cash Flow Statements

For the Years Ended March 31, 2017 and 2016

(In Brazilian reais without cents)

	2017	2016
CASH FLOW OF OPERATIONAL ACTIVITIES		
Income (loss) for the year	458,802	13,363
Adjustments to reconcile the fiscal year net profit with Cash		
generated by operational activities:		
Depreciation and amortization	567	-
Decrease (Increase) in the operational assets:		
Accounts receivable from clients	(678,021)	7,863
Recoverable taxes	66,754	44,235
Intercompany loan agreement	800,000	-
Increase (decrease) in the operational liabilities:		
Taxes and contributions payable	225,501	151
Accounts payable	(7,020)	(7,864)
Other accruals	-	(12,000)
Cash generated by operational activities	866,583	45,748
CASH FLOW OF INVESTMENTS ACTIVITIES		
Fixed assets acquisition	(11,334)	-
CASH FLOW OF FINANCING ACTIVITIES		
Profit distribution	(940,020)	-
Cash invested in financing activities	(940,020)	-
(DECREASE) INCREASE OF AVAILABLE FUNDS BALANCE	(84,771)	45,748
CASH AND CASH EQUIVALENTS		
Opening Balance	137,495	91,737
Ending Balance	52,724	137,495
(DECREASE) INCREASE OF AVAILABLE FUNDS BALANCE	(84,771)	45,758

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

Years Ended March 31, 2017 and 2016

(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. In November 2016, the Company reactivated its activities with operating revenues and cash generation.

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, 2017, the company considers there will be no effects to be taken into account in the Financial Statements.

On April 17th, 2017, 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, 2017.

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:1603-1604, Tower B, CENTRAL Towers, 567 Langao Road, Shanghai 200333, PRC.

Board's Report

Dear Shareholders,

Your Board of Directors is pleased to present the Sixth report on the operations of the Company together with the audited accounts for the financial year ended March 31, 2017.

Financial Results

Particulars	2016-17 RMB	2015-16 RMB
Total Income	22,831,029	29,321,460
Net Profit / (Loss) for the year	(1,354,853)	4,974,646

Operations

During the year under review, the income of the Company has reduced by 22% and the Company incurred losses.

Audit

The Company is required by the local laws to have an independent audit firm to audit the books of accounts of the Company and to issue a report to the shareholders. 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.

Pune
April 20, 2017

Kishor Patil
Chairman

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, 2017, 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, 2017.

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, 2017, 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 20th, 2017

Balance Sheet

FOR THE YEAR ENDED 31 MARCH 2017

Prepared by: KPIT (SHANGHAI) SOFTWARE TECHNOLOGY CO., LTD.

Currency: RMB

Item	Line No.	March 31st, 2017	March 31st, 2016	Item	Line No.	March 31st, 2017	March 31st, 2016
Current Assets:	1	—	—	**Current Liabilities:**	65	—	—
Cash and bank balance	2	8,756,978.25	9,357,061.02	Short-term loans	66		
Deposit Reservation for Balance	3			Borrowing from the central bank	67		
Lendings to Banks and Other Financial Institutions	4			Absorb deposit and storage	68		
Tradable financial assets	5			Borrowings from Banks and Other Financial Institutions	69		
Note receivable	6			Tradable financial liabilities	70		
Accounts receivable	7	8,157,783.07	11,892,460.05	Notes payable	71		
Prepayments	8	141,260.83	93,681.02	Accounts payable	72	4,714,684.98	7,627,122.00
Premiums receivable	9			Advance from customers	73		
Reinsurance receivable	10			Financial assets sold under repurchase	74		
Reserve receivable of reinsurance contracts	11			Fee and commission payable	75		
Interest receivable	12			Accrued payroll and welfare	76	633,100.37	670,527.64
Dividends receivable	13			Including: Accrued payroll	77	633,100.37	670,527.64
Other receivable	14	261,779.83	127,930.54	Accrued welfare	78		
Financial assets purchased under resale	15			Including: employee award and welfare fund	79		
Inventory	16			Tax payable	80	112,673.38	497,755.81
Including: Raw material	17			Including: Tax payable	81	106,690.73	490,035.55
Finished goods	18			Interest payable	82		
Non-current assets maturing within 1 year	19			Dividends payable	83		
Other current assets	20			Other payable	84	990,431.06	612,541.30
Total Current Assets	21	17,317,801.98	21,471,132.63	Reinsurance payable	85		
Non-current Assets:	22			Reserve of insurance contract	86		
Loans and advances	23			Agents sale of security	87		
Available-for-sale financail assets	24			Agents underwriting of security	88		
Held-to-maturity investment	25			Non-current liabilities maturing within 1 year	89		
Long-term receivable	26			Other current liabilities	90		
Long-term equity investment	27			**Total Current Liabilities**	91	6,450,889.79	9,407,946.75
Investment real estate	28			**Non-current Liabilities**	92		
Fixed assets - cost	29	586,443.04	199,432.59	Long-term loans	93		
Less: Accumulated depreciation	30	215,826.29	171,160.28	Bonds payable	94		
Fixed assets - net value	31	370,616.75	28,272.31	Long-term payable	95		
Less: Provision for impairment of fixed assets	32			Grants(special) payable	96		
Fixed assets - net book value	33	370,616.75	28,272.31	Estimated liabilities	97		
Constrction in process	34			Deferred tax liability	98		
Constrction material	35			Other non-current liabilities	99		
Liquidation(Disposal) of fixed assets	36			Including: special reserve fund	100		
Productive biological assets	37			**Total Non-current Liabilities**	101		
Oil gas assets	38			**Total Liabilities**	102	6,450,889.79	9,407,946.75
Intangible assets	39	63,853.22	55,448.68	Owners` Equity(or shareholders` equity):	103		
Research and development cost	40			Paid-in capital (or share)	104	14,074,702.40	14,074,702.40
Goodwill	41			State capital	105		
Long-term prepaid expense	42	191,038.31		Including: state-owned legal person's capital	106		
Deferred tax assets	43		700,366.50	Collective capital	107		
Other non-current assets	44			Private capital	108		
Including: Specially approved reserving materials	45			Including: Personal capital	109		
Total Non - current Assets	46	625,508.28	784,087.49	Foreign businessmen's capital	110	14,074,702.40	14,074,702.40
	47			Less: treasury share	111		
	48			Net paid-in capital (or share)	112	14,074,702.40	14,074,702.40
	49			Capital surplus	113	21,916.98	21,916.98
	50			Less: reasury share	114		
	51			Special reserve	115		
	52			Surplus reserve	116		
	53			including: Statutory reserve	117		
	54			Voluntary reserve	118		
	55			Reserve fund	119		
	56			Development fund	120		
	57			Profit for returing investment	121		
	58			General risk reserve	122		
	59			Undistributed profits	123	-2,604,198.91	-1,249,346.01
	60			Converted difference in Foreign Currency Statements	124		
	61			Total Equity attributable to the Parent Company	125	11,492,420.47	12,847,273.37
	62			Minority shareholders` equity	126		
	63			**Total Owner's Equity**	127	11,492,420.47	12,847,273.37
Total Assets	64	17,943,310.26	22,255,220.12	**Total Liabilities & Owners' Equity**	128	17,943,310.26	22,255,220.12
Total Assets	64	17,943,310.26	22,255,220.12				

Note:The accompanying notes to accounting statement as an integral part of financial statements

Income Statement

FOR THE YEAR ENDED 31 MARCH 2017

Prepared by: KPIT (SHANGHAI) SOFTWARE TECHNOLOGY CO., LTD.

Currency: RMB

Items	Line No.	Year ended March 31st, 2017	Year ended March 31st, 2016
1. Gross Operating Income	1	22,831,029.03	29,321,460.24
Operating income	2	22,831,029.03	29,321,460.24
Including: main operations	3	22,831,029.03	29,321,460.24
other operations	4		
Interest income	5		
Earned premiums	6		
Fees and commision income	7		
2. Gross Operating cost	8	23,907,370.91	24,722,354.30
Operating cost	9	10,368,168.88	14,800,634.15
Including: main operations	10	10,368,168.88	14,800,634.15
other operations	11		
Interest expense	12		
Fees and commision expense	13		
Surrender payment	14		
Net compensate	15		
Net extraction of the insurance contract reserve	16		
Policy dividend payment	17		
Reinsurance costs	18		
Business tax and surcharge	19	42,033.66	129,372.71
Selling and distribution expenses	20		
General and administrative expenses	21	14,470,110.39	10,218,993.21
Including:research and development expense	22		
Finance expenses	23	-972,942.02	-426,645.77
Including: Interest expenses	24		
Interest income	25	13,643.39	7,768.05
Net foreign exchange loss("-" means "gain")	26	-974,584.47	-429,790.76
Assets impairment losses	27		
Others	28		
Add: gain on the changes in fair value ("-" means "Loss")	29		
Investment income ("-" means "Loss")	30		
Including: Income from investments in associated enterprises and joint ventures	31		
Net foreign exchange gain("-" means "loss")	32		
3. Operating profit ("-" means "Loss")	33	-1,076,341.88	4,599,105.94
Add: Non-operating income	34	70,000.00	27,531.01
Including: gain from diposal of non-current assets	35		
gain from exchange of non-monetary assets	36		
subsidy income from government	37		
Profits from debt restructuring	38		
Less: Non-operating expenses	39	501.95	
Including: Losses from diposal of non-current assets	40	501.95	
Non-cash deal losses	41		
Losses from debt restructuring	42		
4. Total profit ("-" means "Loss")	43	-1,006,843.83	4,626,636.95
Less: income tax	44	348,009.07	-348,009.07
5. Net Profit ("-" means "Loss")	45	-1,354,852.90	4,974,646.02
Net profit attributable to the Parent Company	46	-1,354,852.90	4,974,646.02
Minority shareholders` equity	47		
6. Earnings per share:	48		
Basic earnings per share	49		
Diluted earnings per share	50		
7. Other comprehensive income	51		
8. Total comprehensive income	52	-1,354,852.90	4,974,646.02
Total comprehensive income attributable to the Parent Company	53	-1,354,852.90	4,974,646.02
Total comprehensive income attributable to the minority shareholder	54		

Note:The accompanying notes to accounting statement as an integral part of financial statements

Statement of Changes in Owners' Equity

FOR THE YEAR ENDED 31 MARCH 2017

Prepared by: KPIT (SHANGHAI) SOFTWARE TECHNOLOGY CO., LTD.　　Currency: RMB

Item	Line No.	As at March 31st, 2017										
		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.	0	1	2	3	4	5	6	7	8	9	10	11
1. Ending balance of last year	1	14,074,702.40	21,916.98					-1,249,346.01		12,847,273.37		12,847,273.37
Add: Changes in Accounting Policies	2											
Correction of error from previous period	3											
2. Opening balance of this year	4	14,074,702.40	21,916.98					-1,249,346.01		12,847,273.37		12,847,273.37
3. Increase or decrease of Current Period(for decrease filled in "-")	5							-1,354,852.90		-1,354,852.90		-1,354,852.90
(1) Net Profit	6							-1,354,852.90		-1,354,852.90		-1,354,852.90
(2) Other comprehensive income	7											
Subtotal of comprehensive income	8							-1,354,852.90		-1,354,852.90		-1,354,852.90
(3) Capital invested or reduced by the owners	9											
1. Capital invested by the owner	10											
2. Payment for shares attributed into owner's equity	11											
3. Others	12											
(4) Extraction and use of special reserves	13											
1. Extraction of special reserves	14											
2. Use of special reserves	15											
(5) Profit Distribution	16											
1. Withdrawal surplus reserve	17											
Including□Statutory fund	18											
Voluntary reserve	19											
Reserve fund	20											
Development fund	21											
Profit for returing investment	22											
2. Extraction of general risk reserve	23											
3. Profits distributed to owners (or shareholders)	24											
4. Others	25											
(6) Internal transfer of owner's equity	26											
1. Capital surplus transfer to share capital	27											
2. Surplus reserves transfer to share capital	28											
3. Surplus reserves covering losses	29											
4. Others	30											
4. Closing balance of this year	31	14,074,702.40	21,916.98					-2,604,198.91		11,492,420.47		11,492,420.47

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 31 MARCH 2017

Prepared by: KPIT (SHANGHAI) SOFTWARE TECHNOLOGY CO., LTD. Currency: RMB

Item	Line No.	As at March 31st, 2016										
		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.	0	1	2	3	4	5	6	7	8	9	10	11
1. Ending balance of last year	1	11,014,863.60	21,916.98					-6,223,992.03		4,812,788.55		4,812,788.55
Add: Changes in Accounting Policies	2											
Correction of error from previous period	3											
2. Opening balance of this year	4	11,014,863.60	21,916.98					-6,223,992.03		4,812,788.55		4,812,788.55
3. Increase or decrease of Current Period (for decrease filled in "-")	5	3,059,838.80						4,974,646.02		8,034,484.82		8,034,484.82
(1) Net Profit	6							4,974,646.02		4,974,646.02		4,974,646.02
(2) Other comprehensive income	7											
Subtotal of comprehensive income	8							4,974,646.02		4,974,646.02		4,974,646.02
(3) Capital invested or reduced by the owners	9	3,059,838.80								3,059,838.80		3,059,838.80
1. Capital invested by the owner	10	3,059,838.80								3,059,838.80		3,059,838.80
2. Payment for shares attributed into owner's equity	11											
3. Others	12											
(4) Extraction and use of special reserves	13											
1. Extraction of special reserves	14											
2. Use of special reserves	15											
(5) Profit Distribution	16											
1. Withdrawal surplus reserve	17											
Including:Statutory fund	18											
Voluntary reserve	19											
Reserve fund	20											
Development fund	21											
Profit for returing investment	22											
2. Extraction of general risk reserve	23											
3. Profits distributed to owners (or shareholders)	24											
4. Others	25											
(6) Internal transfer of owner's equity	26											
1. Capital surplus transfer to share capital	27											
2. Surplus reserves transfer to share capital	28											
3. Surplus reserves covering losses	29											
4. Others	30											
4. Closing balance of this year	31	14,074,702.40	21,916.98					-1,249,346.01		12,847,273.37		12,847,273.37

Note:The accompanying notes to accounting statement as an integral part of financial statements

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2017

Prepared by: KPIT (SHANGHAI) SOFTWARE TECHNOLOGY CO., LTD.

Currency: RMB

Items	Line No.	Year ended March 31st, 2017	Year ended March 31st, 2016
1. Cash Flows from Operating Activities:	1	—	—
Cash received from sales of goods or rendering of services	2	27,919,391.59	25,278,886.11
Net increase of customer deposits and storage	3		
Net increase of borrowing from central bank	4		
Net increase of borrowing from other financial institutions	5		
Cash received from original insurance contract premiums	6		
Net cash received from reinsurance	7		
Net increase of insurance deposit and investment	8		
	9		
Cash received from interest expense, fees and commission	10		
Net increase in borrowings from banks and other financial institutions	11		
Net cash received from repurchase	12		
Refunds of taxes and levies	13		27,531.01
Cash received relating to other operating activities	14	83,643.39	7,768.05
Sub-total of cash inflows	15	28,003,034.98	25,314,185.17
Cash paid for goods and services	16	14,620,561.64	9,021,847.17
Net increase of loans and advance to customers	17		
Net increase in due from central bank and other financial institutions	18		
Cash payment for original insurance contract	19		
Cash payment for interest expense, fees and commission	20		
Cash payment for policy dividend	21		
Cash paid to and on behalf of employees	22	11,219,045.23	7,947,899.13
Payments of taxes and levies	23	491,503.60	1,282,401.24
Cash paid relating to other operating activities	24	2,522,730.65	2,482,399.16
Sub-total of cash outflows	25	28,853,841.12	20,734,546.70
Net Cash Flow from Operating Activities	26	-850,806.14	4,579,638.47
2. Cash Flow from Investing Activities:	27		
Cash received from disposal of investments	28		
Cash received from returns on investments	29		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	30		
Net Cash received from disposal of subsidiary or other operating business units	31		
Cash received relating to other investing activities	32		
Sub-total of cash inflows	33		
Cash paid to acquire fixed assets, intangible assets and other long-term assets	34	723,861.10	88,205.12
Cash paid to acquire investments	35		
Net increase of mortgage Loan	36		
Net cash received from subsidiary and other operating business units	37		
Cash paid relating to other investing activities	38		
Sub-total of cash outflows	39	723,861.10	88,205.12
Net Cash Flow from Investing Activities	40	-723,861.10	-88,205.12
3. Cash Flow from Financing Activities	41		
Cash received from capital contributions	42		3,059,838.80
Including: subsidiary received cash from minority interest's investments	43		
Cash received from borrowings	44		
Cash received from bonds issued	45		
Cash received relating to other financing activities	46		
Sub-total of cash inflows	47	-	3,059,838.80
cash repayments of amounts borrowed	48		
cash payments for interest expenses and distribution of dividends or profits	49		
Including:subsidiary paid dividends and profit to minority interests	50		
Cash payments relating to other financing activities	51		
Sub-total of cash outflows	52		
Net Cash Flow from Financing Activities	53	-	3,059,838.80
4. Effect of Foreign exchange rate changes on cash and cash equivalents	54	974,584.47	429,790.76
5. Net Increase in Cash and Cash Equivalents	55	-600,082.77	7,981,062.91
Add: opening balance of cash and cash equivalents	56	9,357,061.02	1,375,998.11
6. Ending balance of cash and cash equivalents	57	8,756,978.25	9,357,061.02

Note:The accompanying notes to accounting statement as an integral part of financial statements

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2017

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, which changed its name to KPIT Technologies Limited on January 15th, 2013. 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 an updated business licence with the union social credit code of 91310000568001786C, approved by Shanghai Administration Bureau for Industry and Commerce on September 8th, 2016. The legal representative of the Company is Kishor Patil. The legal address of the Company is Room 2258, No. 3 of Xuanhua Road, Chang Ning District, Shanghai, PRC. The approved operating period is 30 years to 11th January, 2041.

On December 1st, 2012, the Company approved a resolution of the board of directors on increasing the registered capital 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 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. 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. On May 27th, 2015, the Company has received capital injections of USD 499,990.00 (equivalent to RMB 3,059,838.80) from the investor KPIT Technologies Limited. As at December 31st, 2015, the paid-in capital of the Company was RMB 14,074,702.41.

The Company's approved business scope includes: research & development and design of computer software, and transfer of research achievement; development of network technique and technical support; designing, testing, and maintaining of system integration; providing relevant technical consulting and service. Computer hardware and software (except for the electronic publications) wholesale, commission agency (excluding auction) and provide related services (Do not involve the state-owned trading managed goods. For the quota and license managed goods, apply upon the relevant regulation of the state.) 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, 2017, and the results of operations and cash flows of the Company for the year ended March 31st, 2017.

4. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting period

The Company adopts the period from 1 April to 31 March 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 receivables 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 equipment, 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 recognised 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 basis 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 temporary 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.

4. Tax concessions and approvals

According to the Announcement of the State Administration of Taxation on Issuing the Measures for the Exemption of Value-Added Tax on Cross-Border Taxable Acts during the Replacement of Business Tax with Value-Added Tax (for Trial Implementation) (2016 No.29), the Company can apply for exemption of VAT of their revenue on rendering of transborder services.

6. SIGNIFCANT ITEMS IN FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2017

1. Cash and Cash at banks

Item	March 31st, 2017			March 31st, 2016		
	Original currency	Exchange rate	Amount (RMB)	Original currency	Exchange rate	Amount (RMB)
Bank						
RMB	5,946,389.91	1.0000	5,946,389.91	2,449,811.69	1.0000	2,449,811.69
USD	407,372.97	6.8993	2,810,588.34	1,069,035.06	6.1592	6,907,249.33
Total			**8,756,978.25**			**9,357,061.02**

2. Accounts receivable

(1) Aging analysis

Item	March 31st, 2017			March 31st, 2016		
	Amount	%	Bad debt	Amount	%	Bad debt
Within 1 year	7,644,161.04	93.70	-	11,892,460.05	100.00	-
1 – 2 years	513,622.03	6.30	-	-	-	-
Total	**8,157,783.07**	**100.00**	-	**11,892,460.05**	**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, 2017 was RMB 1,554,405.34, which is 19.05% of the total ending balance.

(4) The balance of foreign currency.

Item	March 31st, 2017			March 31st, 2016		
	Original currency	Exchange rate	Amount (RMB)	Original currency	Exchange rate	Amount (RMB)
USD	12,591.14	6.8993	86,870.05	267,025.07	6.1422	4,725,302.38
Total			**86,870.05**			**4,725,302.38**

3. Prepayments

(1) Aging analysis

Item	March 31st, 2017		March 31st, 2016	
	Amount	%	Amount	%
Within 6 months	141,260.83	100.00	44,262.76	47.25
7 - 12 months	-	-	49,418.26	52.75
Total	**141,260.83**	**100.00**	**93,681.02**	**100.00**

(2) The balance of prepayments to related parties as of March 31st, 2017 was nil.

4. Other receivable

(1) Aging analysis

Item	March 31st, 2017			March 31st, 2016		
	Amount	%	Bad debt	Amount	%	Bad debt
Within 6 months	22,910.01	8.75	-	18,323.91	14.32	-
7 - 12 months	236,269.82	90.26	-	-	-	-
1 - 2 years	-	-	-	-	-	-
2 - 3 years	2,600.00	0.99	-	109,606.63	85.68	-
Total	**261,779.83**	**100.00**	-	**127,930.54**	**100.00**	-

(2) The balance as at March 31st, 2017 is mainly the deposit for office rental and staff cash advance.

5. **Fixed Assets**

Item	March 31st, 2016	Additions	Deductions	March 31st, 2017
Cost	**199,432.59**	**407,900.45**	**20,890.00**	**586,443.04**
Electronic & Office equipment	199,432.59	407,900.45	20,890.00	586,443.04
Accumulated depreciation	**171,160.28**	**65,054.06**	**20,388.05**	**215,826.29**
Electronic & Office equipment	171,160.28	65,054.06	20,388.05	215,826.29
Net book value	**28,272.31**			**370,616.75**
Electronic & Office equipment	28,272.31			370,616.75

6. **Intangible assets**

Item	March 31st, 2016	Additions	Deductions	March 31st, 2017
Cost	**73,931.62**	**75,641.02**	**73,931.62**	**75,641.02**
Software	73,931.62	75,641.02	73,931.62	75,641.02
Accumulated amortisation	**18,482.94**	**67,236.48**	**73,931.62**	**11,787.80**
Software	18,482.94	67,236.48	73,931.62	11,787.80
Net book value	**55,448.68**			**63,853.22**
Software	55,448.68			63,853.22

7. **Long-term prepaid expense**

Item	March 31st, 2016	Additions	Deductions	March 31st, 2017
Office Decoration & Fire protection	-	240,319.63	49,281.32	191,038.31
Total	**-**	**240,319.63**	**49,281.32**	**191,038.31**

8. **Deferred tax assets**

Item	March 31st, 2017	March 31st, 2016
Accrued expenses	-	700,366.50
Total	**-**	**700,366.50**

9. **Accounts payable**

(1) Aging analysis

Item	March 31st, 2017	March 31st, 2016
Total	**4,714,684.98**	**7,627,122.00**
Including□Over 1 year	-	-

(2) The balance of related-party's accounts payable was RMB 2,754,631.67, accounting for 58.43% of total balance.

10. **Accrued Payroll**

Item	March 31st, 2016	Additions	Deductions	March 31st, 2017
Salaries	670,527.64	9,672,064.45	9,709,491.72	633,100.37
Social pension	-	297,837.00	297,837.00	-
Housing fund	-	1,211,716.51	1,211,716.51	-
Total	**670,527.64**	**11,181,617.96**	**11,219,045.23**	**633,100.37**

11. **Tax Payable**

Item	March 31st, 2016	Additions	Deductions	March 31st, 2017
Value added tax	128,671.14	323,335.88	352,296.07	99,710.95
Withholding value added tax	-	711,834.37	711,834.37	-
Enterprise income tax	352,357.43	-352,357.43	-	-
Individual income tax	-	2,702,722.55	2,702,722.55	-
City construction tax	9,006.98	72,930.67	74,957.88	6,979.77
Education surcharge	3,860.13	31,256.01	32,124.81	2,991.33
Local education surcharge	2,573.42	20,837.35	21,416.55	1,994.22
River management fee	1,286.71	10,418.68	10,708.28	997.11
Total	**497,755.81**	**3,520,978.08**	**2,841,930.07**	**112,673.38**

12. **Other Payable**

(1) **Other payable**

Item	March 31st, 2017	March 31st, 2016
Total	**990,431.06**	**612,541.30**
Including: over 1 year	75,422.10	450.00

(2) The balance of other payable due to related parties as at March 31st, 2017 was RMB 569,246.98, which is 57.47% of the total ending balance.

13. **Paid–in Capital**

Investor	March 31st, 2016		Additions	Deductions	March 31st, 2017	
	Amount	%			Amount	%
KPIT Technologies Limited	14,074,702.40	100.00	-	-	14,074,702.40	100.00
Total	**14,074,702.40**	**100.00**	**-**	**-**	**14,074,702.40**	**100.00**

14. **Capital Surplus**

Item	March 31st, 2016	Additions	Deductions	March 31st, 2017
Capital (Share) premium	21,916.98	-	-	21,916.98
Total	**21,916.98**	**-**	**-**	**21,916.98**

15. **Undistributed Profits**

Item	March 31st, 2017	March 31st, 2016
Opening balance	-1,249,346.01	-6,223,992.03
Additions: Net profit	-1,354,852.90	4,974,646.02
Deductions: Statutory surplus reserve	-	-
Closing balance	-2,604,198.91	-1,249,346.01
Including: cash dividend to be distributed	-	-

16. **Operating income and operating cost**

	2017		2016	
Item	**Operating income**	**Operating cost**	**Operating income**	**Operating cost**
Gross operating	22,831,029.03	10,368,168.88	29,321,460.24	14,800,634.15
Service income	22,831,029.03	10,368,168.88	29,321,460.24	14,800,634.15
Total	**22,831,029.03**	**10,368,168.88**	**29,321,460.24**	**14,800,634.15**

17. **Finance Expenses**

Item	2017	2016
Interest expense	-	-
Deductions: interest income	13,643.39	7,768.05
Additions: foreign exchange loss ("-" means gain)	-974,584.47	-429,790.76
Additions: bank service charge	15,285.84	10,913.04
Total	**-972,942.02**	**-426,645.77**

18. **Non-operating Income**

Item	2017	2016
Individual income tax refund	-	27,531.01
Government grant	70,000.00	-
Total	**70,000.00**	**27,531.01**

19. **Non-operating expenses**

Item	2017	2016
Scrap of fixed assets	501.95	-
Total	**501.95**	**-**

20. **Income tax**

Item	2017	2016
Current year income tax	-	352,357.43
Adjustment for previous year income tax	-352,357.43	-
Deferred tax	700,366.50	-700,366.50
Total	**348,009.07**	**-348,009.07**

21. **Lease Commitment**

As at March 31st, 2017, the future aggregate minimum lease payments of office rents under an uncancellable lease agreement are as follows:

Period	Lease commitment
Within 1 year	758,228.40
1 – 2 years	758,228.40
2 – 3 years	315,928.50
Total	**1,832,385.30**

22. **Cash Flow Statement**

(1) Supplementary information of cash flow statement

Item	2017	2016
1. **Reconciliation of net loss to cash flows used in operating activities**		
Net profit	-1,354,852.90	4,974,646.02
Additions: Asset impairment	-	-
Depreciation of fixed assets, oil and gas assets, and productive biological assets	65,054.06	43,640.57
Amortization of intangible assets	67,236.48	18,482.94
Amortization of long-term prepaid expense	49,281.32	-
Losses on disposal of fixed assets, intangible assets, and other long-term assets ("-" means "Gain")	-	-
Losses on scrap of fixed assets ("-" means "Gain")	501.95	-
Losses on changes in fair value ("-" means "Gain")	-	-
Finance expenses ("-" means "Income")	-974,584.47	-429,790.76
Losses on investment ("-" means "Gain")	-	-
Decrease in deferred tax assets ("-" means "Increase")	700,366.50	-700,366.50
Increase in deferred tax liabilities ("-" means "Decrease")	-	-
Decrease in inventory ("-" means "Increase")	-	-
Decrease in operating receivables ("-" means "Increase")	3,553,247.88	-2,170,932.98
Increase in operating payables ("-" means "Decrease")	-2,957,056.96	2,843,959.18
Other	-	-
Net cash flows from operating activities	-850,806.14	4,579,638.47
2. Net increase in cash and cash equivalents:		
Ending balance of cash	8,756,978.25	9,357,061.02
Less: Opening balance of cash	9,357,061.02	1,37 5,998.11
Net increase in cash and cash equivalents	-600,082.77	7,981,062.91

7. **RELATED PARTY RELATIONSHIP AND TRANSACTIONS**

A. **Related party relationship**

1. **Parent company**

(1) Parent company background information

Parent Company	Nature	Registered address	Main transactions
KPIT Technologies Limited	Investing	India	Receiving of services Expenses paid on behalf of the company

(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, 2017	March 31st, 2016	March 31st, 2017	March 31st, 2016	March 31st, 2017	March 31st, 2016
KPIT Technologies Limited	14,074,702.40	14,074,702.40	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 Receiving of services Expenses paid on behalf of the company
Controlled by the same ultimate holding company	KPIT Technologies (UK) Limited	Rendering of services Receiving of services
Controlled by the same ultimate holding company	KPIT Infosystems ME FZE Korea	Rendering of services Receiving of services
Controlled by the same ultimate holding company	KPIT Infosystems ME FZE Australia	Rendering of services
Controlled by the same ultimate holding company	KPIT Technologies Limited Japan	Rendering of services
Controlled by the same ultimate holding company	KPIT Technologies Limited Singapore	Rendering of services
Controlled by the same ultimate holding company	KPIT Technologies Gmbh	Receiving of services

B. **Due to/from related parties**

1. **Accounts receivable**

Name of related parties	March 31st, 2017	March 31st, 2016
KPIT Infosystems ME FZE Australia	754,761.40	-
KPIT Infosystems ME FZE Korea	252,958.69	60,876.86
KPIT Technologies (UK) Limited	228,671.12	84,229.68
Sparta Consulting Inc.	210,278.91	3,389,851.96
KPIT Infosystems Inc.	102,362.25	178,062.80
KPIT Technologies Limited Japan	5,372.97	-
Total	**1,554,405.34**	**3,713,021.30**

2. **Accounts payable**

Name of related parties	March 31st, 2017	March 31st, 2016
KPIT Technologies Limited	2,541,467.25	5,588,317.91
KPIT Infosystems Inc.	213,164.42	-
KPIT Technologies Gmbh	4,449.00	-
KPIT Infosystems ME FZE Korea	-10,576.00	-
KPIT Technologies (UK) Limited	-14,843.00	-
Total	**2,733,661.67**	**5,588,317.91**

3. **Other payable**

Name of related parties	March 31st, 2017	March 31st, 2016
KPIT Technologies Limited	564,777.54	122,850.83
KPIT Infosystems Inc.	4,469.44	-
Total	**569,246.98**	**122,850.83**

C. **Related party transactions**

1. **Rendering of services**

Name of related parties	2017	2016
Sparta Consulting Inc.	2,493,920.41	7,693,066.85
KPIT Infosystems Inc.	1,328,030.38	1,205,446.00
KPIT Infosystems ME FZE Australia	712,039.05	-
KPIT Technologies Limited Singapore	282,889.21	-
KPIT Infosystems ME FZE Korea	181,209.27	340,696.92
KPIT Technologies (UK) Limited	106,820.23	143,001.00
KPIT Technologies Limited Japan	5,068.83	-
KPIT Technologies Gmbh	4,449.42	-
Total	**5,116,443.80**	**9,384,226.82**

2. **Receiving of services and expenses paid by related parties**

Name of related parties	2017	2016
KPIT Technologies Limited	4,488,976.00	8,148,244.48
KPIT Infosystems Inc.	209,467.37	-
Total	**4,698,443.37**	**8,148,244.48**

8. CONTINGENCIES

As at March 31st, 2017, the Company does not have any significant contingencies to be disclosed.

9. COMMITMENTS

As at March 31st, 2017, 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 as at March 31st, 2017 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, P.O.Box: 54931, Dubai, UAE.

Managers' report

The managers have pleasure in presenting this report and the audited consolidated financial statements for the year ended 31 March 2017.

Principal activities

The establishment is engaged in the business of providing software and IT infrastructure services.

Financial results

The establishment has achieved revenue of AED 27,395,122 for the year ended 31 March 2017 (31 March 2016 revenue is AED 26,291,284). The net profit for the year is AED 8,752,797 at 31.95% of revenue (31 March 2016 net profit is AED 5,700,484 at 21.68% of revenue). The management is optimistic about the prospects for the next year and expects to improve the performance of the establishment.

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

As per the renewed service license of the establishment Sukhvinder Singh Mehta and Elson Varghese Mattappadom are appointed as the managers of the establishment.

Auditors

Koya Chartered Accountants were the auditors of the establishment for the year ended 31 March 2017, express their willingness to continue as auditors for the year ending 31 March 2018

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
KPIT Infosystems ME FZE

20 April 2017

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 consolidated statement of financial position as at 31 March 2017, the consolidated statement 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 consolidated 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 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Report on other legal and regulatory requirements

Also, in our opinion, the company has maintained proper books of accounts. We obtained all the information and explanations, which we considered necessary for our audit. According to the information available to us, there were no contraventions, during the year of the implementing regulation No.1/2000 issued by the Dubai Airport Free Zone Authority pursuant to Law No. (2) of 1996 and its amendment No. (2) of 2000 and Federal Law No. 2 of 2015 (amended) or of the company's articles of association which might have materially affected the financial position of the establishment or the results of its operations for the year.

Koya Chartered Accountants
P. P. Kunhamad Koya
Reg. No. 623

20 April 2017

Consolidated Statement of Financial Position

AS AT 31 MARCH 2017

	Notes	31.03.2017	31.03.2016
		AED	AED
Assets			
Non-current assets			
Property, plant and equipment	5	213,384	227,541
Total non-current assets		213,384	227,541
Current assets			
Due from related parties	6	45,703	128,273
Trade and other receivables	7	11,662,074	7,819,584
Cash and bank balances	8	7,373,070	7,597,665
Total current assets		19,080,847	15,545,522
Total assets		**19,294,231**	**15,773,063**
Equity and liabilities			
Equity			
Share capital	1	1,000,000	1,000,000
Retained earnings/(Accumulated losses)		4,240,116	(4,512,681)
Shareholders' current account	9	185,661	185,661
Total equity		5,425,777	(3,327,020)
Non-current liabilities			
Loan from related party - non current potion	10	76,685	10,923,415
Provision for employees' end of service benefits	11	172,349	233,316
Total non-current liabilities		249,034	11,156,731
Current liabilities			
Loan from related party - current portion	10	7,204,077	2,747
Trade and other payables	12	2,225,365	3,232,988
Due to related parties	6	4,189,978	4,707,617
Total current liabilities		13,619,420	7,943,352
Total liabilities		13,868,454	19,100,083
Total equity and liabilities		**19,294,231**	**15,773,063**

For KPIT Infosystems ME FZE

Manager

The notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2017

	31.03.2017	31.03.2016
	AED	AED
Cash flows from operating activities		
Net profit for the year	8,752,797	5,700,484
Adjustments for:		
Depreciation	69,758	60,912
Allowance for doubtful debts	-	1,324,420
Finance cost	248,351	539,276
Provision for employees' end of service benefits	(60,967)	(157,294)
Cash flows before working capital changes	9,009,939	7,467,798
Changes in:		
Due from related parties	82,570	(97,077)
Trade and other receivables	(3,842,490)	5,872,162
Trade and other payables	(1,007,623)	(5,421,571)
Due to related parties	(517,639)	616,523
Margin money deposits	-	4,455,000
Net cash from operating activities	3,724,757	12,892,835
Cash flows from investing activities		
Additions to property, plant & equipment	(55,601)	(17,471)
Net cash used in investing activities	(55,601)	(17,471)
Cash flows from financing activities		
Loan from related party	(3,645,400)	(7,969,934)
Finance cost	(248,351)	(539,276)
Net cash used in financing activities	(3,893,751)	(8,509,210)
Net (decrease)/increase in cash and cash equivalents	(224,595)	4,366,154
Cash and cash equivalents at the beginning of the year	6,267,883	1,901,729
Cash and cash equivalents at the end of the year	**6,043,288**	**6,267,883**
Cash and cash equivalents comprise of:		
Cash at bank	6,043,288	6,267,883
	6,043,288	**6,267,883**

The notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	31.03.2017	31.03.2016
		AED	AED
Revenue	13	27,395,122	26,291,284
Cost of consultancy services	14	(9,275,551)	(5,868,205)
Staff cost	15	(7,258,319)	(10,197,693)
General & administration expenses	16	(2,149,040)	(5,397,896)
Finance cost	17	(248,351)	(539,276)
Other income	18	288,936	1,473,967
Profit Before Tax		**8,752,797**	**5,762,181**
Taxation		-	(61,697)
Profit for the year		8,752,797	5,700,484
Other comprehensive income		-	-
Total comprehensive income for the year		8,752,797	5,700,484

The notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2017

	Share capital	Retained earnings/ (Accumulated losses)	Shareholder's current account	Total
	AED	AED	AED	AED
Balance as at 01 April 2015	1,000,000	(10,213,165)	185,661	(9,027,504)
Total comprehensive income for the year	-	5,700,484	-	5,700,484
Balance as at 31 March 2016	**1,000,000**	**(4,512,681)**	**185,661**	**(3,327,020)**
Total comprehensive income for the year	-	8,752,797	-	8,752,797
Balance as at 31 March 2017	**1,000,000**	**4,240,116**	**185,661**	**5,425,777**

The notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2017

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 is South Korea, as per registration No: 131181-0057655. The establishment opened the branch to expand its operations in Korea and Asia Pacific region.

Activity

The establishment is engaged in the business of providing software and IT infrastructure services.

Management

As per the renewed service license of the establishment Sukhvinder Singh Mehta and Elson Varghese Mattappadom are appointed as the managers of the establishment.

Accounting period

These consolidated financial statements relate to the accounts for the period from 01 April 2016 to 31 March 2017.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSS)

2.1 New standards, interpretations and amendments effective from April 1, 2016

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.

- IFRS 10, IFRS 12 and IAS 28 Investment Entities: applying the consolidation exception (Amendments to IFRS 10, IFRS 12 and IAS 28)'.
- IFRS 11 'Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)'.
- IFRS 14 'Regulatory Deferral Accounts'.
- IAS 1 'Disclosure Initiative (Amendments to IAS 1)'.
- IAS 16 and IAS 38 'Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)'.
- IAS 16 and IAS 41 'Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)'.
- IAS 27 'Equity Method in Separate Financial Statements (Amendments to IAS 27)'.
- Annual improvements 2012 - 2014 cycle:
  - o IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
  - o IFRS 7 Financial Instruments: Disclosures
  - o IAS 19 Employee Benefits
  - o IAS 34 Interim Financial Reporting

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 April 1, 2016. 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, 7 and IAS 39)
- IFRS 9 'Financial instruments (2014)' (Effective for annual periods beginning on or after January 1, 2018):
- IFRS 9 'Financial instruments (2014) with IFRS 4 Insurance Contracts' (Effective for annual periods beginning on or after January 1, 2018):
- 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)'
- IAS 12 'Recognition of Deferred Tax Assets for Unrealised Losses'(Effective for annual periods beginning on or after January 1, 2017):
- IAS 7 'Disclosure Initiative'(Effective for annual periods beginning on or after January 1, 2017):
- IFRS 15 'Revenue from Contracts with Customers' (Effective for annual periods beginning on or after January 1, 2018):
- IFRS 2 'Classification and Measurement of Share–based Payment Transactions' (Effective for annual periods beginning on or after January 1, 2018):
- IFRIC 22 'Foreign currency transactions and advance consideration' (Effective for annual periods beginning on or after January 1, 2018):
- IAS 40 'Transfers of Investment property' (Effective for annual periods beginning on or after January 1, 2018):
- IFRS 16 'Leases'(Effective for annual periods beginning on or after January 1, 2019):

2.3 Annual Improvements to IFRSs 2014-2016 Cycle (Effective for annual periods beginning on or after January 1, 2018):

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, 2018.

It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures with in the financial statements.

- IFRS 1 First time adoption of IFRS
- IFRS 12 Disclosure of interests in other entities
- IAS 28 Investments in Associates and Joint Ventures

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of combination

These financial statements combine the assets, liabilities and operations of KPIT Infosystems ME FZE. The significant accounting policies adopted in the preparation of these combined financial statements are set out below.

3.2 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.

3.3 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.

3.4 Foreign currencies

3.4.1 Functional and presentation currency

The consolidated financial statements are presented in Arab Emirates Dirham (AED), which is the establishment's functional and presentation currency.

3.4.2 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 comprehensive income.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprises 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 consolidated statement of 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	10
Furniture, fixtures & fittings	8
Motor vehicle	5
Office equipment	10
Computer systems & peripherals	4

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 comprehensive income.

3.6 Revenue recognition

Revenue is recognized in the consolidated statement of 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:

3.6.1 Rendering of services

Revenue represents the net invoiced value of services rendered during the year.

3.7 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.

3.8 Trade and other receivables

Trade and other receivables originated by the establishment are measured at cost. An allowance for credit losses of trade receivable is established when there is objective evidence that the establishment will not be able to collect the amounts due. Indicators that the trade receivable are impaired include consistent default in the payments when due, financial difficulties of the customer and other indicators. When a trade 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 consolidated statement of comprehensive income. The carrying value of trade receivable approximates to their fair value due to the short term nature of those receivables.

3.9 Trade 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.

3.10 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 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 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 comprehensive income.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise bank balance 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.

3.12 Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee.

Assets held under finance lease or hire purchase contracts are included in the statement of combined financial position at cost less depreciation in accordance with the establishment's normal accounting policies. The future installments are shown as liability. Interest is charged to the combined statement of comprehensive income over the period of the lease so as to produce a constant periodic rate of interest on the remaining balance outstanding.

3.13 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 comprehensive income on a straight-line basis over the lease term.

4 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:

4.1 Allowance for doubtful debts

Management has estimated the recoverability of trade receivable balances and has considered the allowance required for doubtful debts on the current economic environment and past default history.

4.2 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.

5 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 2015	3,240	182,875	37,000	20,574	256,889	500,578
Additions	-	16,735	-	-	736	17,471
Disposals	-	(19,685)	-	-	-	(19,685)
Balance at 31 March 2016	**3,240**	**179,925**	**37,000**	**20,574**	**257,625**	**498,364**
Additions	462	37,637	-	-	17,502	55,601
Balance at 31 March 2017	**3,702**	**217,562**	**37,000**	**20,574**	**275,127**	**553,965**
Accumulated depreciation						
Balance at 01 April 2015	3,240	45,184	37,000	20,574	123,598	229,596
Depreciation expense	-	21,330	-	-	39,582	60,912
Elimination on depreciation	-	(19,685)	-	-	-	(19,685)
Balance at 31 March 2016	3,240	46,829	37,000	20,574	163,180	270,823
Depreciation expense	23	26,536	-	-	43,199	69,758
Balance at 31 March 2017	3,263	73,365	37,000	20,574	206,379	340,581
Carrying amounts						
As at 31 March 2017	439	144,197	-	-	68,748	213,384
As at 31 March 2016	-	133,096	-	-	94,445	227,541

6 RELATED PARTY TRANSACTIONS

	31.03.2017	31.03.2016
	AED	AED
Due from related parties		
KPIT Infosystems Incorporated, USA	45,703	-
KPIT Technologies(UK) Limited	-	84,980
KPIT Technologies Japan Branch	-	30,508
KPIT Infosystems Inc	-	12,785
	45,703	**128,273**
Due to related parties		
KPIT Technologies Limited, India	3,161,139	4,507,212
KPIT(Shanghai) Software Technology Co Ltd	604,067	33,797
KPIT Technologies Ltd Singapore Branch	288,897	51,292
SYSTIME Computer Corporation	106,875	97,104
KPIT Technologies Corporations, Canada	27,573	18,212
KPIT Technologies, France	902	-
KPIT Technologies (UK) Limited	525	-
	4,189,978	**4,707,617**

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 establishment entered into the following transactions with related parties:

	31.03.2017	31.03.2016
	AED	AED
Interest on loan from related party	248,351	486,442

7 TRADE AND OTHER RECEIVABLES

	31.03.2017	31.03.2016
	AED	AED
Trade receivables	10,929,320	7,370,730
Less: allowance for doubtful debts	(734,590)	**(1,038,144)**
	10,194,730	**6,332,586**
Staff advances	4,391	27,074
Deposits	113,424	143,984
Prepayments	71,824	366,593
Accrued revenue	1,176,948	794,709
Other receivables	100,757	151,335
Deferred tax assets	-	3,303
	11,662,074	**7,819,584**

Age wise analysis of trade receivables

	31.03.2017	31.03.2016
	AED	AED
Less than 3 months	7,873,377	5,681,213
3 - 6 months	1,720,790	668,500
More than 6 months	1,335,153	1,021,017
	10,929,320	**7,370,730**

a) The fair value of trade receivables is not materially different from their net balances shown in the consolidated statement of financial position.

b) As at 31 March 2017, establishment 7 customers comprised approximately 65% of gross trade receivable (2016: 57% was due from 9 customers)

c) The credit risk on trade 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.

d) Provision is made against trade receivables as soon as they are estimated as doubtful.

	31.03.2017	31.03.2016
	AED	AED
Movement in the allowance for doubtful debts		
Balance at the beginning of the year	1,038,144	567,779
Additional allowance during the year	-	1,324,420
Amounts written off during the year as uncollectible	38,099	50,909
Amounts recovered during the year	(341,653)	(904,964)
	734,590	**1,038,144**

8 **CASH AND BANK BALANCES**

	31.03.2017	31.03.2016
	AED	AED
Cash at bank	6,043,288	6,267,883
Margin money deposits	1,329,782	1,329,782
	7,373,070	**7,597,665**

9 **SHAREHOLDER'S CURRENT ACCOUNT**

There are no defined repayment arrangements for the shareholder's current accounts, which are interest free and unsecured.

10 **LOAN FROM RELATED PARTY**

	31.03.2017	31.03.2016
	AED	AED
SYSTIME Computer Corporation, USA	7,280,762	10,926,162
Current portion	7,204,077	2,747
Non Current portion	76,685	10,923,415
	7,280,762	**10,926,162**

11 **PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS**

	31.03.2017	31.03.2016
	AED	AED
Opening balance	233,316	390,610
Charges for the year	74,151	287,195
Less: payments during the year	(135,118)	(444,489)
	172,349	**233,316**

12 **TRADE AND OTHER PAYABLES**

	31.03.2017	31.03.2016
	AED	AED
Trade payable	239,942	272,872
Deferred revenue	148,856	671,989
Provisions and accrued expenses	771,896	823,662
Provisions for software consultancy charges	954,898	1,464,465
Other payable	109,773	-
	2,225,365	**3,232,988**

13 **REVENUE**

Revenue represents income generated from providing software and IT infrastructure services.

14 **COST OF CONSULTANCY SERVICES**

Cost of consultancy services include consultancy fee paid to consultants and subcontractors

15 **STAFF COST**

Staff costs comprises of salary and other benefits paid to the employees of the establishment.

16 **GENERAL & ADMINISTRATION EXPENSES**

	31.03.2017	31.03.2016
	AED	AED
Travelling and conveyance	413,915	842,666
Legal, visa, professional and other charges	449,385	1,337,848
Business promotion	265,600	261,492
Rent	288,097	479,561
Insurance	167,865	380,002
Communication	105,975	194,123
Bank charges	101,733	128,586
Depreciation	69,201	61,006
Printing & stationery	7,585	26,430
Maintenance	47,991	7,699
Foreign exchange difference	91,479	-
Miscellaneous	102,115	303,154
Bad debts	38,099	50,909
Allowance for doubtful debts	-	1,324,420
	2,149,040	**5,397,896**

17 **FINANCE COST**

Finance cost include interest on loan from related party and interest on bank overdraft.

18 **OTHER INCOME**

Other income mainly comprises of reversal of allowance for doubtful debts and related party balances no more payable written back.

19 **FINANCIAL INSTRUMENTS**

Financial assets and liabilities

Financial assets of the establishment include cash and bank balances, due from related parties and trade and other receivables and financial liabilities include trade and other payables, due to related parties, loan from related party and long term liabilities.

Credit risk

Financial assets, which potentially expose the establishment to concentration of credit risk, comprise principally of bank accounts and trade receivables. The establishment's bank accounts are placed with banks with good credit ratings. The credit risk on trade 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 trade 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

Bank borrowings at variable interest rates expose the company to cash flow interest rate risk and those at fixed rates expose the company to fair value interest rate risk. However, the management monitors interest rates and does not consider the risk to be significant.

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.

20 **CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

	31.03.2017	31.03.2016
	AED	AED
Letters of guarantee	**1,329,782**	**1,329,782**

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.

21 **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, Hinjawadi, Pune - 411057, India

Board's Report

Dear Members,

The Directors are pleased to present the Seventh Annual Report together with the Audited Accounts of the Company for the financial year ended March 31, 2017.

Performance of the Company

The financial results are as under:-

(₹ in million)

Particulars	Financial Year ended March 31, 2017	Financial Year ended March 31, 2016
Profit / (Loss) before Tax	(90.72)	(97.57)
Profit / (Loss) after Tax	(90.72)	(97.57)
Total comprehensive income for the period	(91.04)	(98.31)

Project implementation

The Government's focus is on public transport, hence, the Company is also focusing on buses. Further, during the year under review, the Revolo EV bus system activities have progressed further. The bus showcased in the Indian Parliament completed all the tests successfully. In addition to this success, joint development of electric buses has started with two bus OEMs. Engineering activity in these joint programs are expected to complete in FY 2017-18. On the market side, the interest in electric buses is growing and getting quite serious.

For the Intelligent Transportation Systems business, the Company maintains the market share. The Company is also exploring other market segments such as school buses and logistics for corporates. We are also in the process of developing low cost versions of the product and comply with the regulation announced by the Government of India during the year for such products.

There is no change in the nature of the business of the Company during the year under review.

Dividend

In view of the losses incurred during the year under review, your Directors do not recommend any dividend for the year.

Share Capital

During the year under review, the Company issued and allotted 50,010,000 equity shares of ₹10/- (Rupees ten only) each, fully paid, aggregating to ₹500.10 million to the existing member of the Company, thereby increasing the paid-up share capital.

Information about the associate company

In accordance with Section 129(3) of the Companies Act, 2013 (hereinafter referred to as "the Act"), the Company has prepared a statement containing salient features of the financial statements of its associate company, Yantra Digital Services Private Limited in Form AOC-1 which is annexed to this Report as "Annexure 1".

Directors

During the year under review, the members of the Company in their Annual General Meeting held on August 24, 2016 have approved the appointment of Dr. Satishchandra Ogale as an Independent Director for a period of 5 years.

Pursuant to Article 108 of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Chinmay Pandit retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Key Managerial Personnel

Pursuant to the provisions of Sections 2(51) and 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following individuals are designated as the Key Managerial Personnel of the Company:-

(a) Mr. Sunil Gandhi – Manager;

(b) Mr. Anil Patwardhan – Chief Financial Officer; and

(c) Ms. Jaimeetkaur Sial – Company Secretary.

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 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.

The Board of Directors of the Company appointed Apte Joshi & Associates, Practicing Company Secretary, as the Secretarial Auditor to audit for the year under review. The Secretarial Auditor's report for the year under review is annexed to this Report as "Annexure 2". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Particulars of Employees

There are no employees who were employed throughout the financial year and were in receipt of remuneration of ₹ 1 crore 2 lakhs or more or employed for part of the financial year and in receipt of ₹ 8.5 lakh or more a month. Further, details of other employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as "Annexure 3".

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 4" to this Report.

Board Meetings

Seven meetings of the Board of Directors were held during the year under review i.e. on April 26, 2016, June 16, 2016, July 19, 2016, October 18, 2016, January 3, 2017, January 17, 2017 and March 14, 2017. The intervening gap between the meetings was within the period prescribed under Section 173(1) of the Companies Act, 2013. The details of the meetings and attendance thereat are given below:-

Sr. No.	Name of the Director	No. of Board meetings held during the tenure of each Director	No. of Board meetings attended*
1	Mr. Kishor Patil	7	7
2	Ms. Lila Poonawalla	7	6
3	Mr. Adi Engineer	7	7
4	Dr. Satishchandra Ogale	7	4
5	Mr. Anup Sable	7	5
6	Mr. Chinmay Pandit	7	6

*including attendance by videoconference or audioconference.

Committees of the Board

Currently, the Board of the Company has two duly constituted Committees, as follows:-

1. **Audit Committee**

Composition

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

Meetings

The Committee met twice during the year i.e. on April 26, 2016 and October 18, 2016. The details of the meetings and attendance thereat are given below:-

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended
1	Ms. Lila Poonawalla	2	2
2	Mr. Adi Engineer	2	2
3	Mr. Kishor Patil	2	2

During the year, all the recommendations of the Audit Committee were accepted by the Board.

2. **Nomination & Remuneration Committee**

Composition

The composition of the Nomination & Remuneration Committee is as follows:-

Sr. No.	Name of the Committee Member	Designation
1	Mr. Adi Engineer	Chairman
2	Ms. Lila Poonawalla	Member
3	Mr. Kishor Patil	Member

Meetings

The Committee met once during the year i.e. on April 26, 2016. The details of the meetings and attendance thereat are given below:-

Sr. No.	Name of the Committee Member	No. of meetings held during the tenure	No. of meetings attended
1	Mr. Adi Engineer	1	1
2	Ms. Lila Poonawalla	1	1
3	Mr. Kishor Patil	1	1

Independence of the Board

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) Ms. Lila Poonawalla;

(b) Mr. Adi Engineer; and

(c) Dr. Satishchandra Ogale.

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 5" to this Report.

Particulars of loans, guarantees or investments

During the year under review, the Company has made following loans or investments, pursuant to the provisions of Section 186 of the Companies Act, 2013.

Sr. No.	Name	Nature of transaction	Duration	Rate of Interest (%)	Amount (₹ in million)	Purpose
1	Lithium Urban Technologies Private Limited	Investment in preference shares	NA	NA	10.00	Business relationship for electric buses & batteries
2	Yantra Digital Services Private Limited	Investment in equity shares	NA	NA	0.05	For carrying out business of "In Bus Wi-Fi Entertainment"
3	Yantra Digital Services Private Limited	Loan	February 1, 2017 to March 30, 2017	6.50	6.00	Working capital requirement

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 6" to this Report.

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 the Company's operations in future.

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.

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.

Formal Annual Evaluation by the Board

A separate meeting of the Independent Directors of the Company was held on February 17, 2017, in which a formal evaluation of performance of the Board, Committees and the individual Directors was carried out. The performance evaluation was conducted based on the criteria specified in the Companies Act, 2013.

The feedback based on evaluation was discussed with the Chairman of the Board and given to the Directors.

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 7" 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, 2017, 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, 2017 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 the 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 in your Company.

For and on behalf of the Board of Directors

Pune
April 22, 2017

Kishor Patil
Chairman

Annexure 1

Form AOC - 1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries: NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013, related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates / Joint Ventures	Yantra Digital Services Private Limited
1	Latest audited Balance Sheet date	March 31, 2017
2	Shares of associate / joint ventures held by the company on the year end	
	No.	5,000
	Amount of investment in associates / joint venture	₹ 50,000/-
	Extend of holding (%)	50
3	Description of how there is significant influence	As per IND AS 28 para 5, if an entity holds, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (e.g. through subsidiaries), less than 20% of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence. As Impact Automotive Solutions Limited (a wholly owned subsidiary of KPIT Technologies Limited) holds 50% share of Yantra Digital Services Private Limited, hence, significant influence is established.
4	Reason why the associate / joint venture is not consolidated	The ultimate holding company, KPIT Technologies Limited is consolidating Yantra Digital Services Private Limited, an assosiate company, hence not consolidated in the Company.
5	Networth attributable to shareholding as per latest audited Balance Sheet	NA
6	Profit / (Loss) for the year	(₹ 2.57 million)
i	Considered in consolidation	NA
ii	Not considered in consolidation	(₹ 2.57 million)

Please mention the following:-

1. Names of associates or joint ventures which are yet to commence operations: NA

2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

For and on behalf of the Board of Directors

Pune
April 22, 2017

Kishor Patil
Chairman

Annexure 2

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2017

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
Impact Automotive Solutions Limited,
35 & 36, Rajiv Gandhi Infotech Park, Phase - I,
MIDC, Hinjawadi, Pune – 411057,
Maharashtra.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Impact Automotive Solutions Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2017 (hereinafter called the Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended March 31, 2017 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder **(Not applicable to the Company during the Audit Period);**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder **(Not applicable to the Company during the Audit Period);**

iv. Foreign Exchange Management Act, 1999 and the Rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period);**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period);**

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the Audit Period);**

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time (Not applicable to the Company during the Audit Period);

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period);**

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period);**

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period);** and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period).**

vi. Other laws applicable specifically to the Company namely:

   a. The Contract Labour (Regulation and Abolitions) Act, 1970;

b. The Minimum Wages Act, 1948;
c. The Sexual Harassment of Women at workplace (Prevention, Prohibition, and Redressal) Act, 2013;
d. The Payment of Bonus Act, 1965;
e. The Payment of Wages Act, 1936;
f. The Maternity Benefit Act, 1961;
g. The Payment of Gratuity Act, 1972;
h. The Employee's Provident Fund & Miscellaneous Provisions Act, 1952;
i. Maharashtra State Tax on Professions, Trade and Callings Act, 1975;
j. Maharashtra Labour Welfare Fund Act, 1953;
k. Employees State Insurance Act, 1948 & Amendment Rules 2016;
l. The Employees (Workmen's) Compensation Act, 1923;
m. The Employment Exchanges (Compulsory Notification of vacancies) Act, 1959;
n. The Factories Act, 1948;
o. The Industrial Dispute Act, 1947;
p. The Industrial Employment (Standing Orders) Act, 1946;
q. The Motor Vehicle Act, 1988 and Central Motor Vehicle Rules, 1989;
r. Water Act, Air Act, HW Maharashtra Rules;
s. The Standards of Weights and Measures Act, 1976;
t. Income Tax Act, 1961 and Rules, made thereunder (Not covering any disputed issues / litigation matters, if any);
u. The Battery (M&H) Amendment Rules, 2010;
v. The Insurance Act, 1938.

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings notified with effect from July 1, 2015; and

ii. The erstwhile Listing Agreements entered into by the Company with Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not applicable to the Company during the Audit Period).**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The Company does not have any Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the Meetings of the Board of Directors and Committees of Directors, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

a. The Company has altered the Object Clause in the Memorandum of Association, twice, in compliance, with the provisions of the Companies Act, 2013 and rules framed thereunder.

b. The Company has raised equity capital by way of Rights issues, for its business requirements.

For Apte Joshi & Associates,
Company secretaries,

Pune
April 22, 2017

R J Joshi
Partner
FCS: 4478, CP No.: 8774

Annexure 3

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Please contact Company Secretary for this information.

Annexure 4

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

(i) Steps taken or impact on conservation of energy

The Company always endeavors to reduce energy consumption and achieve conservation of resources. There is a project team working within the Company to optimize energy consumption. The Company has been constantly rewarded by the Maharashtra State Electricity Distribution Company Limited for maintaining power factor to "1". The employees are adequately trained to conserve energy. Further, commercial production of the Intelligent Transportation Systems (ITS) and Vehicle Tracking Systems (VTS) commenced during the year. These devices help in conservation of energy, indirectly.

(ii) Steps taken by the Company for utilizing alternate sources of energy

The Company is in an advanced stage of developing electric buses, which uses alternate source of energy, i.e. electricity and not diesel.

(iii) Capital investment on energy conservation equipment

During the year under review, there has been no capital investment on energy conservation equipment.

(B) Technology absorption

(i) Efforts made towards technology absorption

Technology required for the project is being absorbed satisfactorily. The Company has not imported any technology.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

The project is under implementation and the benefits shall be ascertained after the complete commercial operation of the project.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

(a) The details of technology imported;

(b) The year of import;

(c) Whether the technology been fully absorbed;

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

The Company has not imported any technology.

(iv) 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 earnings and outgo are as follows:

(₹ in million)

	2016-17	2015-16
Foreign Exchange earned	0.66	27.10
Foreign Exchange outgo	121.58	27.36

For and on behalf of the Board of Directors

Pune
April 22, 2017

Kishor Patil
Chairman

Annexure 5
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 authorized 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 6

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**

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]	Purchases of components from KPIT	On-going transactions	Purchase of components on standard terms and conditions as mentioned in purchase orders amounting to ₹214.51 million.	Not required. Contract was entered in ordinary course of business and therefore approval by the Board was not required.	NIL
Yantra Digital Services Private Limited (Yantra) [Associate company]	Advance to Yantra	1 Year	Advance given to Yantra amounting to ₹18.38 million.	Not required. Transaction entered in ordinary course of business.	NIL

For and on behalf of the Board of Directors

Pune
April 22, 2017

Kishor Patil
Chairman

Annexure 7
Form MGT-9
Extract of Annual Return

as on the financial year ended March 31, 2017

[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, Hinjawadi, 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

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the company
1	Manufacture of electronic components	2610	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, MIDC, Hinjawadi, Pune - 411057.	L72200PN1990PLC059594	Holding	100	2(87)(ii)
2	Yantra Digital Services Private Limited 9D, Grd floor, Plot-149/151, Karsandas Building, Raja Ram Mohan Roy Marg, Bangarwadi Prarthana Samaj, Girgaon, Mumbai - 400004.	U72900MH2016PTC274472	Associate	50	2(6)

IV. SHARE HOLDING PATTERN

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	-	-	-	-	-	-	-	-	-
B	Central Government	-	-	-	-	-	-	-	-	-
C	State Government(s)	-	-	-	-	-	-	-	-	-
D	Bodies Corporate	-	49,989,994	49,989,994	100	-	99,999,994	99,999,994	100	-
E	Bank & FII	-	-	-	-	-	-	-	-	-
F	Any other									
	Individuals holding shares as registered owners for the beneficial interest of Body Corporate	-	6	6	-	-	6	6	-	-
	Sub-Total (A)(1)	-	**49,990,000**	**49,990,000**	**100**	-	**100,000,000**	**100,000,000**	**100**	-

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	
(2)	**FOREIGN**									
a	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b	Other - Individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corporate	-	-	-	-	-	-	-	-	-
d	Banks & FII	-	-	-	-	-	-	-	-	-
e	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	TOTAL SHAREHOLDING OF PROMOTERS (A) = (A)(1) + (A)(2)	-	49,990,000	49,990,000	100	-	100,000,000	100,000,000	100	-
B	**PUBLIC SHAREHOLDING**									
(1)	**Institutions**									
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Banks/FI	-	-	-	-	-	-	-	-	-
c	Central Government	-	-	-	-	-	-	-	-	-
d	State Government(s)	-	-	-	-	-	-	-	-	-
e	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f	Insurance Companies	-	-	-	-	-	-	-	-	-
g	FIIs	-	-	-	-	-	-	-	-	-
h	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i	Others	-	-	-	-	-	-	-	-	-
	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	-	-	-	-	-	-	-	-	-
	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)	-	49,990,000	49,990,000	100	-	100,000,000	100,000,000	100	-

ii) Shareholding of Promoters

Sr. No.	Shareholder 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	No. of shares pledged	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	No. of shares pledged	% of shares pledged/ encumbered to total shares	
1	KPIT Technologies Limited	49,989,994	100	-	-	99,999,994	100	-	-	-
2	Mr. Anup Sable (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
3	Mr. Chandrashekhar Sonsale (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
4	Mr. Sachin Tikekar (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
5	Mr. Anil Patwardhan (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
6	Mr. Sunil Gandhi (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
7	Mr. Chinmay Pandit (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
	Total	**49,990,000**	**100**	**-**	**-**	**100,000,000**	**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	KPIT Technologies Limited				
	At the beginning of the year	49,989,994	100	49,989,994	100
	Increase/Decrease during the year				
	Allotment on May 18, 2016	10,010,000	20.02	59,999,994	60.00
	Allotment on July 19, 2016	20,000,000	40.01	79,999,994	80.00
	Allotment on March 24, 2017	20,000,000	40.01	99,999,994	100
	At the end of the year				
2	Mr. Anup Sable (Nominee of KPIT Technologies Limited)				
	At the beginning of the year	1	0.00	1	0.00
	Increase/Decrease during the year	-	-	1	0.00
	At the end of the year			1	0.00
3	Mr. Chandrashekhar Sonsale (Nominee of KPIT Technologies Limited)				
	At the beginning of the year	1	0.00	1	0.00
	Increase/Decrease during the year	-	-	1	0.00
	At the end of the year			1	0.00
4	Mr. Sachin Tikekar (Nominee of KPIT Technologies Limited)				
	At the beginning of the year	1	0.00	1	0.00
	Increase/Decrease during the year	-	-	1	0.00
	At the end of the year			1	0.00
5	Mr. Anil Patwardhan (Nominee of KPIT Technologies Limited)				
	At the beginning of the year	1	0.00	1	0.00
	Increase/Decrease during the year	-	-	1	0.00
	At the end of the year			1	0.00

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
6	Mr. Sunil Gandhi (Nominee of KPIT Technologies Limited)				
	At the beginning of the year	1	0.00	1	0.00
	Increase/Decrease during the year	-	-	1	0.00
	At the end of the year			1	0.00
7	Mr. Chinmay Pandit (Nominee of KPIT Technologies Limited)				
	At the beginning of the year	1	0.00	1	0.00
	Increase/Decrease during the year	-	-	1	0.00
	At the end of the year			1	0.00

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. Anup Sable (Nominee of KPIT Technologies Limited)				
	At the beginning of the year	1	0.00	1	0.00
	Increase/Decrease during the year	-	-	1	0.00
	At the end of the year			1	0.00
2	Mr. Chinmay Pandit (Nominee of KPIT Technologies Limited)				
	At the beginning of the year	1	0.00	1	0.00
	Increase/Decrease during the year	-	-	1	0.00
	At the end of the year			1	0.00
3	Mr. Anil Patwardhan (Key Managerial Personnel – Chief Financial Officer) (Nominee of KPIT Technologies Limited)				
	At the beginning of the year	1	0.00	1	0.00
	Increase/Decrease during the year	-	-	1	0.00
	At the end of the year			1	0.00
4	Mr. Sunil Gandhi (Key Managerial Personnel – Manager) (Nominee of KPIT Technologies Limited)				
	At the beginning of the year	1	0.00	1	0.00
	Increase/Decrease during the year	-	-	1	0.00
	At the end of the year			1	0.00

V. INDEBTEDNESS

The Company has not availed any loan during the year and is a debt-free Company.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to the Manager:

(₹ in million)

Sr. No.	Particulars of Remuneration*	Name of the Manager	Total
		Mr. Sunil Gandhi	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7.55	7.55
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others	-	-
5.	Others	-	-
	Total (A)	**7.55**	**7.55**
	Ceiling as per the Act	8.40 as per the provisions of Sections 196 and 197, read with Schedule V of the Companies Act, 2013 and pursuant to the special resolution passed by the members of the Company in the Extraordinary General Meeting held on June 18, 2015.	

* Remuneration figures reported are as per the provisions of the Income Tax Act, 1961, as required by the prescribed format and therefore, may differ from the remuneration figures reported under the provisions of the Companies Act, 2013, elsewhere in this Annual Report.

B. Remuneration to other directors:

(₹ in million)

Sr. No.	Particulars of Remuneration	Name of the Directors			Total
		Ms. Lila Poonawalla	Mr. Adi Engineer	Dr. Satishchandra Ogale	
1	Independent Directors				
	• Fee for attending board/committee meetings	0.055	0.055	0.02	0.13
	• Commission	-	-	-	-
	• Others	-	-	-	-
	Total (1)	**0.055**	**0.055**	**0.02**	**0.13**
Sr. No.	**Particulars of Remuneration**	**Kishor Patil**	**Anup Sable**	**Chinmay Pandit**	**Total**
2	Other Non-Executive Directors				
	• Fee for attending board/committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1+2)	0.13			
	Total Managerial Remuneration	**7.68**			
	Overall Ceiling as per the Act	No commission was paid to any of the Directors. Further, the sitting fees paid to them and the remuneration paid to the Key Managerial Personnel is within the overall ceiling limits prescribed by the Companies Act, 2013.			

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 remuneration was paid by the holding company during the financial year 2016-17.

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
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

Pune
April 22, 2017

Kishor Patil
Chairman

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, 2017 which comprise of the Balance Sheet as at March 31, 2017, 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'), as amended by the Companies Act (Amendment) Act 2015, 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 Indian Account Standards Ind AS in conformity with the Companies (Indian Accounting Standards) Rules 2015:

    a. In the case of Balance Sheet, of the State of Affairs of the company as at March 31, 2017;

    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 Companies (Indian Accounting Standards_ Rules 2015.

    e) On the basis of written representations received from the directors of the company as at March 31, 2017, 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 2017 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 beast of our information and according to the explanations given to us;

        i) The company has disclosed the impact of the pending litigation 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, in accordance with the Companies (Auditors Report) Order 2016.

(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.

    c. The company does not own any Immovable Property.

(ii) In respect of its Inventories

    a. The management has physically verified inventories during the year and there were no material discrepancies noticed on such verification.

(iii) In respect of the loans, secured or unsecured, granted by the company to companies, firms, limited liability partnerships 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, limited liability partnerships or other parties covered under register maintained under section 189 of the Companies Act 2013.

    b. In view of no loan or advance granted no opinion is required on charge of Interest, Repayment schedule and any overdue amount is not applicable.

(iv) The company has complied with the provisions of Sec. 185 and 186 of the Companies Act 2013.

(v) The company has not accepted any deposits from the public.

(vi) Maintenance of the Cost Records as prescribed by the Central Government under section 148(1) the Companies Act, in respect of products of the company is presently not applicable to the company.

(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,2017 for a period of more than six months from the date of becoming payable other than the one listed below.

        - Income Tax for A.Y. 2012-13- Tax Demand for ₹ 5.88 Lakhs. The company has filed

Rectification Application for correcting the demand however, no order has yet been passed by the Income Tax Department.

(viii) There are no borrowings in form of loans or borrowings from any financial institutions, banks etc.

(ix) The company has neither raised any funds by way of Initial Public Offer or further public offer nor has borrowed any term loans from any bank or financial institution.

(x) There is not fraud by the company or on the company by its officers or employees that has come to our notice during the year.

(xi) The Managerial Remuneration has been provided/paid in accordance with the requisite approvals as mandated by the provisions of Sec. 197 read with Schedule V to the Companies Act.

(xii) The company is not a Nidhi Company.

(xiii) All the transactions with the Related Parties are in compliance of Sec. 177 and 188 of the Companies Act 2013 and have been duly disclosed in the Financial Statements as required by the Accounting Standards.

(xiv) The company has not made any Preferential allotment or private placement of shares during the year.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him/her.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Harish K. Lalwani & Associates
Chartered Accountants
FRN 103507W

Place: Pune
Dated: 22nd April 2017

Proprietor
Harish Lalwani
M. No. 039223

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of ***Impact Automotive Solutions Ltd.*** as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Harish K. Lalwani & Associates
Chartered Accountants
FRN 103507W

Place: Pune
Dated: 22nd April 2017

Proprietor
Harish Lalwani
M. No. 039223

Balance Sheet

as at 31 March 2017

(Amount in ₹ million)

	Notes	31 March 2017	31 March 2016	1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3A	17.44	22.69	33.16
Capital work-in-progress		2.28	0.78	-
Intangible assets	3B	2.41	6.42	10.48
Financial assets				
Investments	4	10.05	-	-
Loans	5	13.20	11.92	11.01
Others	6	10.36	-	-
Income Tax asset (Net)		1.38	1.20	0.68
Other non-current assets	7	3.97	3.34	4.05
		61.09	**46.35**	**59.38**
Current assets				
Inventories	8	358.49	72.82	21.11
Financial assets				
Trade receivables	9	229.05	67.60	-
Cash and Cash equivalent	10	132.35	101.25	10.65
Other Bank Balances	10	64.88	5.03	-
Loans	11	21.19	2.40	0.22
Others	12	0.57	-	-
Other current assets	13	110.73	50.69	18.75
		917.26	**299.79**	**50.73**
TOTAL		**978.35**	**346.14**	**110.11**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	1,000.00	499.90	318.10
Other equity		(403.52)	(312.48)	(214.17)
		596.48	**187.42**	**103.93**
Non-current liabilities				
Deferred tax liabilities	15	-	-	-
Provisions	16	1.71	1.09	0.23
		1.71	**1.09**	**0.23**
Current liabilities				
Financial liabilities				
Trade payables	17	227.47	106.00	3.45
Other	18	6.50	5.13	1.78
Other current liabilities	19	144.97	37.54	0.49
Provisions	20	1.22	8.96	0.23
Income Tax liabilities (Net)		-	-	-
		380.16	**157.63**	**5.95**
TOTAL		**978.35**	**346.14**	**110.11**
Significant accounting policies	1			
Notes referred to above form an integral part of the financial statements	2 - 40			

As per our report of even date attached

For Harish K. Lalwani & Associates
Chartered Accountants
Firm Registration Number: 103507W

Harish Lalwani
Partner
Membership No. 039223

Place: Pune
Date: 22 April 2017

For and on behalf of the Board of Directors of
Impact Automotive Solutions Limited

Kishor Patil
Chairman

Chinmay Pandit
Director

Anil Patwardhan
Chief Financial Officer

Jaimeetkaur Sial
Company Secretary

Place: Pune
Date: 22 April 2017

Statement of Profit and Loss

for the year ended on 31 March 2017

(Amount in ₹ million)

	Notes	31 March 2017	31 March 2016
INCOME			
Revenue from operations :	21		
Sale of products (gross)		270.66	102.69
Sale of services		7.70	2.93
Other operating revenue		0.76	1.01
Other income	22	16.81	7.52
Total revenue		**295.93**	**114.15**
EXPENSES			
Cost of materials consumed	23	341.90	87.32
Changes in inventories of finished goods and work-in-progress	24	(113.23)	(27.46)
Employee benefits expense	25	54.69	39.79
Depreciation and amortization	3	15.48	15.27
Other expenses	26	87.81	96.80
Total expenses		**386.65**	**211.72**
Loss before exceptional items and tax		(90.72)	(97.57)
Exceptional items		-	-
Loss before tax		(90.72)	(97.57)
Extraordinary item		-	-
Loss before tax and minority interest		(90.72)	(97.57)
Tax expenses		-	-
Loss for the year		**(90.72)**	**(97.57)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(0.32)	(0.74)
Total comprehensive income for the period		**(91.04)**	**(98.31)**
Earnings per equity share for continuing operations (face value per share ₹ 10 each)			
Basic	37	(1.24)	(2.52)
Diluted	37	(1.24)	(2.52)
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2 - 40		

As per our report of even date attached

For Harish K. Lalwani & Associates
Chartered Accountants
Firm Registration Number: 103507W

Harish Lalwani
Partner
Membership No. 039223

Place: Pune
Date: 22 April 2017

For and on behalf of the Board of Directors of
Impact Automotive Solutions Limited

Kishor Patil
Chairman

Chinmay Pandit
Director

Anil Patwardhan
Chief Financial Officer

Jaimeetkaur Sial
Company Secretary

Place: Pune
Date: 22 April 2017

Statement of Cash Flows

for the year ended on 31 March 2017

(Amount in ₹ million)

		31 March 2017	31 March 2016
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net comprehensive income before extraordinary items and tax	(90.72)	(97.57)
	Adjustments for:		
	Depreciation and amortisation	15.48	15.27
	(Profit)/ Loss on sale of asset (net)	(0.02)	-
	Interest income	(8.66)	(2.22)
	Unrealised foreign exchange loss/(gain)	0.53	0.07
	Operating Profit before working capital changes	(83.39)	(84.45)
	Adjustments for changes in working capital:		
	(Increase) / decrease in Inventories	(285.67)	(51.71)
	(Increase) / decrease in Trade Receivable	(161.36)	(67.67)
	(Increase) / decrease in Loans, other financial asset & other assets	(79.16)	(34.07)
	Increase / (decrease) in Trade payables	120.85	102.55
	Increase / (decrease) in Provisions, other financial liability & other liabilities	101.36	49.25
	Cash generated from operations	(387.37)	(86.10)
	Income taxes (paid) / refunds	(0.18)	(0.52)
	Net cash from/ (used in) operating activities (A)	**(387.55)**	**(86.62)**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(9.64)	(1.77)
	Proceeds from sale of fixed assets	0.36	-
	Interest received	7.88	2.22
	Investment in Preference shares of Lithium Urban Technologies	(10.00)	-
	Investment in Equity shares of Yantra Digital Services Pvt. Ltd.	(0.05)	-
	Fixed Deposit with banks (net) having maturity over three months	(70.00)	(5.03)
	Net cash flow from / (used in) investing activities (B)	**(81.45)**	**(4.58)**
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Advances against equity	-	-
	Proceeds from issue of equity shares	500.10	181.80
	Net cash flow from / (used in) financing activities (C)	**500.10**	**181.80**
	Net Increase / (decrease) in cash and cash equivalents (A+B+C)	**31.10**	**90.60**
	Cash & cash equivalents at close of the year (Refer note 1 below)	132.35	101.25
	Cash & cash equivalents at beginning of the year (Refer note 1 below)	101.25	10.65
	Cash Surplus / (deficit) for the year	31.10	90.60
	Note 1 :		
	Cash and cash equivalents include:		
	Cash on hand	-	-
	Cheques in Hand	6.05	0.12
	Balance with banks		
	- In current accounts	16.30	16.23
	- In deposit accounts (with original maturity of 3 months or less)	110.00	84.90
	Total Cash and cash equivalents	132.35	101.25

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, 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.

Note 4 :
Previous year's figures have been rearranged/regrouped wherever necessary.

As per our report of even date attached

For Harish K. Lalwani & Associates
Chartered Accountants
Firm Registration Number: 103507W

For and on behalf of the Board of Directors of
Impact Automotive Solutions Limited

Harish Lalwani
Partner
Membership No. 039223

Kishor Patil
Chairman

Chinmay Pandit
Director

Anil Patwardhan
Chief Financial Officer

Jaimeetkaur Sial
Company Secretary

Place: Pune
Date: 22 April 2017

Place: Pune
Date: 22 April 2017

Statement of changes in equity

31 MARCH 2017

(Amount in ₹ million)

A	Equity share capital	
	Balance as at 1 April 2015	**318.10**
	Changes in equity share capital during 2015-16	181.80
	Balance as at 31 March 2016	**499.90**
	Changes in equity share capital during 2016-17	500.10
	Balance as at 31 March 2017	**1,000.00**

B Other equity

	Retained earnings	Remeasurement of the net defined benefit Plans	Total
Balance as on 01 April 2015	**(214.17)**	**-**	**(214.17)**
Profit for the year	(97.57)	-	(97.57)
Other comprehensive income	-	(0.74)	(0.74)
Total comprehensive income for the year	(97.57)	(0.74)	(98.31)
Balance as on 31 March 2016	**(311.74)**	**(0.74)**	**(312.48)**
Balance as on 01 April 2016	**(311.74)**	**(0.74)**	**(312.48)**
Profit for the year	(90.72)	-	(90.72)
Other comprehensive income	-	(0.32)	(0.32)
Total comprehensive income for the year	(90.72)	(0.32)	(91.04)
Balance as on 31 March 2017	**(402.46)**	**(1.06)**	**(403.52)**

As per our report of even date attached

For Harish K. Lalwani & Associates
Chartered Accountants
Firm Registration Number: 103507W

For and on behalf of the Board of Directors of
Impact Automotive Solutions Limited

Harish Lalwani
Partner
Membership No. 039223

Kishor Patil
Chairman

Chinmay Pandit
Director

Anil Patwardhan
Chief Financial Officer

Jaimeetkaur Sial
Company Secretary

Place: Pune
Date: 22 April 2017

Place: Pune
Date: 22 April 2017

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2017

Corporate Information

Impact Automotive Solutions Limited ("the company") 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.) The Company is engaged in the production of Integrated Systems, hybrid automotive product "Revolo" and electric vehicle.

1 Significant Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with the Indian Accounting Standards ("Ind-AS") as specified under Section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of Companies Act, 2013. The financial statements are presented in millions of Indian rupees rounded off to two decimal places, unless otherwise stated.

The Company adopted Ind-AS from April 1, 2016 and accordingly the transition was carried out, from the accounting principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), in accordance with Ind-AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the impact on transition has been recorded in opening reserves as at April 1, 2015 and all the periods presented have been restated accordingly. Reconciliations and descriptions of the effect of the transition has been summarized in Note 2.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Use of Estimates

The preparation of financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

1.2 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 realized in, or is intended for sale or consumption in, the normal operating cycle;

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

c. it is expected to be realized 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 at least 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.

Liabilities

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

a. it is expected to be settled in the Group'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 Group is considered to be of 12 months.

1.3 Revenue Recognition

The company derives revenues primarily from sale of goods (products)and its maintenance.

Revenue from sale of goods ,where there is no uncertainty as to measurement or collectability of consideration, is recognised upon actual delivery of goods along with transfer of significant risks and rewards to the customers. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Maintenance revenue is recognized over the term of the underlying maintenance arrangement.

The company presents revenues gross of excise duty where applicable and net of service tax ,value-added taxes in its statement of profit and loss.

Interest on investments is accounted using Effective Interest Rate method.

1.4 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment 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. Assets under construction are disclosed as capital work-in-progress.

1.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment, if any.

Intangible fixed assets are derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal or when the economic benefits are not measurable.

1.6 Depreciation and amortization

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of the assets. The estimated useful lives are as follows:

Type of asset	Useful life (No. of years)
Plant and machinery	10
Furniture and fixtures	8
Vehicle	5
Office Equipment	10
Technical knowhow	5
software	4

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 may differ from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Leasehold land are amortized over the period of the lease. Improvements to leased premises are amortized over the remaining non-cancellable period of lease.

1.7 Impairment

Financial assets

The Group assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit or Loss.

Non- financial 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 fair value less cost of disposal 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 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 amortization, if no impairment loss had been recognized. Such a reversal is recognized in the Statement of Profit and Loss.

1.8 Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

1.9 Operating lease

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 recognized in the Statement of Profit and Loss on straight line basis over the term of the lease, unless the increase in rentals is in line with expected general inflation.

1.10 Earnings per share

Basic earnings per share are 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 net profit after tax for the year 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 and translations

Transactions in foreign currency are accounted at the exchange rates prevailing on the dates of transactions. Monetary items are translated into the functional currency at the year-end rates. Realized & unrealized exchange difference arising on in the same are recognized in the Statement of Profit and Loss.

1.12 Employee Benefits

a) **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. Remeasurement of net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effects of asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income for the period in which they occur. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss. Past service cost is recognized immediately to the extent that the benefits are already vested or amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets, if any. 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 recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b) **Other employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized 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.

1.13 Accounting for taxes on income

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

1.14 Provisions, Contingent liabilities and Contingent assets

The company recognizes provisions only when it has a present legal or constructive 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.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

No provision 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-

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

   2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are disclosed as contingent liabilities. These are assessed continually 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.

Warranty

The Company estimates cost on warranty sale based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

1.15 Employee stock option

In respect of stock options granted by the parent company pursuant to the Group's Employee Stock Option Scheme, the Company recognizes employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

1.16 Financial instruments

Initial recognition:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Subsequent measurement:

a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in other comprehensive income.

d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments :

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind-AS 109. A financial liability (or a part of a financial liability) is derecognized from the balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments :

The company uses discounted cash flow analysis method for the fair value of its financial instruments. The method of assessing fair value result in general approximation of value and such value may never actually be realized.

2 First time adoption of Ind-AS :

2.1 Explanation of transition to Ind-AS

a. These are the Company's first Financial Statements prepared in accordance with Ind-AS.

b. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind-AS Balance Sheet as at 1 April 2015 (the Company's date of transition).

c. In preparing its opening Ind-AS Balance Sheet, the Company has adjusted amounts reported previously in financial statements, prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind-AS has affected the Company's financial position, financial performance and cash flow is set out below.

2.2 Optional exemptions availed and mandatory exceptions

In preparing these Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind-AS 101 as explained below:

a. Optional exemptions availed

Deemed cost

The Company has availed the exemption under Ind-AS 101 on deemed cost, where it has elected to continue with the carrying value for all of its property, plant and equipment, and intangible assets, as recognised in the financial statements as at the date of transition to Ind-AS, measured as per the IGAAP and use that as its deemed cost.

b. Mandatory exceptions from full retrospective application

Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements are consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

2.3 Reconciliations

a. The below mentioned reconciliations provide the quantification of the effect of significant differences arising on the transition from IGAAP to Ind-AS, in accordance with Ind-AS 101 :

Reconciliation of Equity, as previously reported under IGAAP to Ind-AS for earlier periods :

(Amount in ₹ million)

Sr No	Nature of adjustments	31 March 2016	1 April 2015
A	**Equity under IGAAP**	188.19	104.49
B	**Effects of transition to Ind-AS:**		
i.	Effect of fair valuation of security deposits and amortisation of advance rentals	(0.62)	(0.56)
ii.	Effect of ESOP measurement and amortisation based on fair value of options	(0.15)	-
	Total adjustments	**(0.77)**	**(0.56)**
C	**Equity under Ind-AS**	**187.42**	**103.93**

Reconciliation of Profit, as previously reported under IGAAP to Ind-AS for earlier periods :

Sr No	Nature of adjustments	31 March 2016
A	**Net loss under IGAAP**	(98.10)
B	**Effects of transition to Ind-AS on Statement of Profit and Loss:**	
i.	Effect of fair valuation of security deposits and amortisation of advance rentals	(0.06)
ii.	Effect of ESOP measurement and amortisation based on fair value of options	(0.15)
iii.	Actuarial loss on employee defined benefit plan recognised in Other Comprehensive Income	0.74
	Total adjustments	**0.53**
C	**Net profit for the period under Ind-AS**	**(97.57)**
D	**Other comprehensive income (net of tax)**	**(0.74)**
E	**Total comprehensive income**	**(98.31)**

b. There are no material adjustments to the cash flow statements.

3A Property, plant and equipment

Changes in the carrying amount of property, plant and equipment

(Amount in ₹ million)

	Leasehold Improvements	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross carrying amount as at 1 April 2015	**18.36**	**9.10**	**1.78**	**2.87**	**1.02**	**33.13**
Reclassification	-	(0.12)	0.02	-	0.10	-
Additions	-	0.67	0.06	-	0.03	0.76
Disposal/Retirements/Derecognition	-	-	-	-	-	-
Gross carrying amount as at 31 March 2016	**18.36**	**9.65**	**1.86**	**2.87**	**1.15**	**33.89**
Depreciation for the period	8.64	1.27	0.28	0.87	0.14	11.20
Disposal/Retirements/Derecognition	-	-	-	-		-
Accumulated depreciation as at 31 March 2016	**8.64**	**1.27**	**0.28**	**0.87**	**0.14**	**11.20**
Carrying amount as at 1 April 2015	**18.36**	**9.10**	**1.78**	**2.87**	**1.02**	**33.13**
Carrying amount as at 31 March 2016	**9.72**	**8.38**	**1.58**	**2.00**	**1.01**	**22.69**
Gross carrying amount as at 1 April 2016	**18.36**	**9.65**	**1.86**	**2.87**	**1.15**	**33.89**
Additions	-	5.06	0.46	-	0.99	6.51
Disposal/Retirements/Derecognition	-	0.15	-	0.55	-	0.70
Gross carrying amount as at 31 March 2017	**18.36**	**14.56**	**2.32**	**2.32**	**2.14**	**39.70**
Accumulated depreciation as at 1 April 2016	**8.64**	**1.27**	**0.28**	**0.87**	**0.14**	**11.20**
Depreciation for the period	8.64	1.53	0.31	0.77	0.17	11.42
Disposal/Retirements/Derecognition	-	0.04	-	0.32	-	0.36
Accumulated depreciation as at 31 March 2017	**17.28**	**2.76**	**0.59**	**1.32**	**0.31**	**22.26**
Carrying amount as at 1 April 2016	**9.72**	**8.38**	**1.58**	**2.00**	**1.01**	**22.69**
Carrying amount as at 31 March 2017	**1.08**	**11.80**	**1.73**	**1.00**	**1.83**	**17.44**

3B Other intangible assets

Changes in the carrying amount of other intangible assets

(Amount in ₹ million)

	Other than Internally Generated		
	Technical Knowhow	Software	Total
Gross carrying amount as at 1 April 2015	**9.51**	**0.98**	**10.49**
Additions	-	-	-
Disposal/Retirements/Derecognition	-	-	-
Gross carrying amount as at 31 March 2016	**9.51**	**0.98**	**10.49**
Depreciation for the period	3.80	0.27	4.07
Disposal/Retirements/Derecognition	-	-	-
Accumulated depreciation as at 31 March 2016	**3.80**	**0.27**	**4.07**
Carrying amount as at 1 April 2015	**9.51**	**0.98**	**10.49**
Carrying amount as at 31 March 2016	**5.71**	**0.71**	**6.42**
Gross carrying amount as at 1 April 2016	**9.51**	**0.98**	**10.49**
Additions	-	0.05	0.05
Disposal/Retirements/Derecognition	-	-	-
Gross carrying amount as at 31 March 2017	**9.51**	**1.03**	**10.54**
Accumulated depreciation as at 1 April 2016	**3.80**	**0.27**	**4.07**
Depreciation for the period	3.80	0.26	4.06
Disposal/Retirements/Derecognition	-	-	-
Accumulated depreciation as at 31 March 2017	**7.60**	**0.53**	**8.13**
Carrying amount as at 1 April 2016	**5.71**	**0.71**	**6.42**
Carrying amount as at 31 March 2017	**1.91**	**0.50**	**2.41**

(Amount in ₹ million)

		31 March 2017	31 March 2016	1 April 2015
4	**Non current investments**			
	Non-trade Investments (Unquoted)			
	Investments in Preference shares of Lithium Urban Technologies	10.00	-	-
	10,000 (Previous year NIL) preference shares of ₹ 1,000 each fully paid			
	Investments in Equity shares of Yantra Digital Services Pvt. Ltd.	0.05	-	-
	5,000 (Previous year NIL) preference shares of ₹ 10 each fully paid			
		10.05	-	-
5	**Loans**			
	(Unsecured, considered good unless otherwise stated)			
	Security deposits	13.20	11.92	11.01
		13.20	**11.92**	**11.01**
6	**Other financial assets**			
	(Unsecured, considered good unless otherwise stated)			
	Fixed deposits with banks	10.15	-	-
	Interest accrued on fixed deposits	0.21	-	-
		10.36	-	-
7	**Other non-current assets**			
	(Unsecured, considered good unless otherwise stated)			
	Capital advances	1.89	0.31	0.06
	Advance rentals	2.08	3.03	3.99
		3.97	**3.34**	**4.05**
8	**Inventories**			
	(Valued at the lower of cost and net realisable value)			
	Raw materials	214.01	45.33	21.10
	Work-in-progress	1.30	-	-
	Finished goods	139.42	27.49	0.01
	Stores and spares	3.76	-	-
		358.49	**72.82**	**21.11**
9	**Trade receivables**			
	(Unsecured)			
	- Considered good	229.05	67.60	-
	- Considered doubtful	0.29	5.12	-
		229.34	**72.72**	-
	Less: Provision for doubtful trade receivables	0.29	5.12	-
		229.05	**67.60**	-
10	**Cash and bank balances**			
	Cash and cash equivalents			
	Cash on hand	-	-	-
	Cheques in hand	6.05	0.12	-
	Balances with banks			
	- In current accounts	16.30	16.23	0.65
	- In deposit accounts(with original maturity of 3 months or less)	110.00	84.90	10.00
		132.35	**101.25**	**10.65**
	Other bank balances	64.88	5.03	-
		197.23	**106.28**	**10.65**

(Amount in ₹ million)

		31 March 2017	31 March 2016	1 April 2015
11	**Loans**			
	(Unsecured, considered good unless otherwise stated)			
	Loans and advances to related parties			
	- Dues from related parties (Refer note 34)	0.01	0.01	0.01
	Loans and advances to other than related parties			
	Other loans and advances			
	- Employee advances	0.25	-	-
	- Security deposits	10.43	2.15	-
	- Other receivables	10.50	0.24	0.21
		21.19	**2.40**	**0.22**
12	**Other current financials assets**			
	(Unsecured, considered good unless otherwise stated)			
	Interest accrued on fixed deposits	0.57	-	-
		0.57	-	-
13	**Other current assets**			
	(Unsecured, considered good unless otherwise stated)			
	Advance rentals	0.96	0.96	0.96
	Balances with statutory authorities	86.45	34.95	12.61
	Advance to suppliers			
	Considered good	23.09	14.64	5.11
	Considered doubtful	0.60	0.60	0.12
		23.69	**15.24**	**5.23**
	Less: Provision for doubtful advances	(0.60)	(0.60)	(0.12)
		23.09	**14.64**	**5.11**
	Prepaid expenses	0.23	0.14	0.07
		110.73	**50.69**	**18.75**
14	**Equity share capital**			
	Authorised:			
	100,000,000 (Previous year 60,000,000) equity shares of ₹ 10 each.	1,000.00	600.00	400.00
		1,000.00	**600.00**	**400.00**
	Issued subscribed and fully paid up:			
	100,000,000 (Previous year 49,990,000) equity shares of ₹ 10 each fully paid up.	1,000.00	499.90	318.10
		1,000.00	**499.90**	**318.10**

14.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	(₹ in Millions)	Number of shares	(₹ in Millions)
Equity shares				
At the beginning of the year	49,990,000	499.90	31,810,000	318.10
Add: Shares issued during the year	50,010,000	500.10	18,180,000	181.80
Outstanding at the end of the year	100,000,000	1,000.00	49,990,000	499.90

14.2 The Company has only one class of shares referred to as equity shares having a par value of ₹ 10. Each shareholder of equity shares is entitled to one vote per share.

14.3 Number of equity shares held by each shareholder holding more than 5% shares in the Company are as follows:

Name of Shareholders	Number of shares as at 31 March 2017	% of shares held	Number of shares as at 31 March 2016	% of shares held
KPIT Technologies Limited	100,000,000	100.00%	49,990,000	100.00%

(Amount in ₹ million)

		31 March 2017	31 March 2016	1 April 2015
15	**Deferred tax liabilities**			
	Deferred tax liabilities			
	Depreciation	-	-	0.40
	Deferred tax asset			
	Tax disallowances and unabsorbed depreciation	-	-	0.40
		-	-	-
16	**Long term provisions**			
	Provision for employee benefits			
	- Gratuity	1.71	1.09	0.23
		1.71	**1.09**	**0.23**
17	**Trade payables**			
	Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	0.47	0.38	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	227.00	105.62	3.45
		227.47	**106.00**	**3.45**
18	**Other current financial liabilities**			
	Accrued employee costs	4.41	3.53	0.02
	Payables in respect of fixed assets	0.22	-	-
	Payable to related parties	1.87	1.60	1.76
		6.50	**5.13**	**1.78**
19	**Other current liabilities**			
	Unearned revenue	143.77	30.34	-
	Statutory remittances	1.20	7.20	0.49
		144.97	**37.54**	**0.49**
20	**Short-term provisions**			
	Provision for employee benefit			
	- Compensated Absences	1.18	1.06	0.23
	- Gratuity	0.04	0.02	-
	Other provisions			
	- Provision for warranty	-	7.88	-
		1.22	**8.96**	**0.23**

(Amount in ₹ million)

		31 March 2017	31 March 2016
21	**Revenue from operations**		
	Sale of products		
	Finished goods	270.66	102.69
	Sale of services	7.70	2.93
	Other operating revenue		
	Scrap Sale	0.76	1.01
		279.12	**106.63**
22	**Other income**		
	Interest income	8.66	2.22
	Sub-lease payments received	5.62	5.30
	Profit on sale of fixed assets (net)	0.02	-
	Foreign exchange gain (net)	2.21	-
	Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	0.30	-
		16.81	**7.52**

(Amount in ₹ million)

		31 March 2017	31 March 2016
23	**Cost of materials consumed**		
	Electronic components and other raw materials	328.36	87.25
	Consumable Tools and Spares	13.54	0.07
		341.90	**87.32**
24	**Changes in inventories of finished goods and work-in-progress**		
	Finished goods		
	Inventories at the beginning of the year	27.49	0.03
	Inventories at the end of the year	139.42	27.49
		(111.93)	**(27.46)**
	Work-in-progress		
	Inventories at the beginning of the year	-	-
	Inventories at the end of the year	1.30	-
		(1.30)	**-**
		(113.23)	**(27.46)**
25	**Employee benefits expense**		
	Salaries, wages and incentives	50.65	37.17
	Contribution to provident and other funds	1.58	0.91
	Staff welfare expenses	2.46	1.71
		54.69	**39.79**
26	**Other expenses**		
	Manufacturing Expenses		
	Contracting and labour charges	14.46	8.70
	Power and fuel	1.12	0.99
	Repairs and maintenance - Plant	-	0.03
	Water Charges	0.28	0.23
	Other direct expenses	0.13	-
		15.99	**9.95**
	Establishment & Other Expenses		
	Travelling and conveyance expenses	6.32	5.83
	Recruitment and training expenses	0.13	0.07
	Rent	22.57	21.95
	Repairs and maintenance		
	- Building	0.09	-
	- Others	2.58	1.05
	Excise duty	32.97	11.37
	Inventories written off	2.31	19.03
	Carriage outward	3.33	1.25
	Rates & taxes	0.65	0.05
	Communication expenses	0.84	0.20
	Legal and professional fees	6.07	3.16
	Director Sitting Fees	0.13	0.12
	Printing & stationery	0.08	0.15
	Business promotion	0.19	0.02
	Foreign exchange loss (Net)	-	0.81
	Housekeeping	0.70	0.82
	Security charges	1.70	1.46
	Auditors remuneration (net of service tax)		
	- Audit fees	0.05	0.05
	- Fees for other services	0.21	0.30
	Provision for Warranty	(7.88)	7.88
	Provision for doubtful debts	(4.83)	5.12
	Provision for doubtful advances	-	5.42
	Miscellaneous expenses (net)	3.61	0.74
		87.81	**96.80**

Note

Certain expenses are net of recoveries/reimbursements from customers.

27 **Contingent liabilities and Commitments**

(i) **Contingent liabilities**

Sr. No.	Particulars	FY 2016-17 ₹ million	FY 2015-16 ₹ million
1	Outstanding bank guarantees in routine course of business	7.66	5.03
2	Income tax matters	0.59	0.59

(ii) **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for:-

Tangible assets - ₹ 1.30 million (Previous year ₹ 0.09 million)

28 **Disclosure as per the requirement of section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:**

a. Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information) as at 31 March 2017 is ₹ 0.47 million (Previous year - ₹ 0.38 million) including unpaid amounts of ₹ 0.14 million (Previous year - ₹ 0.01 million) outstanding for more than 30 days. Estimated interest due thereon is ₹ 0.01 million (Previous year - ₹ Nil).

b. Amount of payments made to suppliers beyond the appointed date during the year is ₹ 0.12 million (Previous year - ₹ 1.37 million). Interest paid thereon is ₹ Nil (Previous year - ₹ Nil) and the estimated interest due and payable thereon is ₹ Nil million (Previous year - ₹ 0.02 million).

c. The amount of estimated interest accrued and remaining unpaid as at 31 March 2017 is ₹ 0.03 million (Previous year - ₹ 0.02 million) .

d. The amount of further estimated interest due and payable for the period from 1 April 2017 to actual date of payment or 20 April 2017 (whichever is earlier) is ₹ Nil million.

29 **CIF Value of Imports**

(Amount in ₹ million)

Particulars	FY 2016-17 ₹ million	FY 2015-16 ₹ million
Capital goods	-	-
Components and spare parts	94.14	27.19

30 **Expenditure in foreign currency (on accrual basis) (net of recovery):**

(Amount in ₹ million)

Particulars	FY 2016-17	FY 2015-16
Travelling expenses	0.39	0.17
Discount	26.70	-
Other expenes	0.35	-
Total	**27.44**	**0.17**

31 **Earnings in foreign currency (on accrual basis):**

(Amount in ₹ million)

Particulars	FY 2016-17	FY 2015-16
Sale of Product	0.66	27.10

32 **Employee benefits**

1 Defined contribution plan - Provident fund

Amount recognized as an expense in the Statement of Profit and Loss in respect of defined contribution plan is ₹ 1.58 million (Previous year ₹ 0.91 million)

2 Defined benefit plan

i) Actuarial gains and losses in respect of defined benefit plans are recognized in the Other Comprehensive Income (OCI)

ii) The defined benefit plan comprises of gratuity, which is un-funded.

Gratuity is a benefit to an employee in India based on 15 days last drawn salary for each completed year of service with a vesting period of five years.

Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

(Amount in ₹ million)

Particulars	FY 2016-17	FY 2015-16
Present value of defined benefit obligation at the beginning of the year	1.11	0.24
Current service cost	0.30	0.11
Interest cost	0.09	0.02
Actuarial loss / (Gain)		
a) changes in demographic assumptions	-	-
b) changes in financial assumptions	0.10	(0.01)
c) experience adjustments	0.22	0.75
Benefits paid	(0.07)	-
Present value of defined benefit obligation at the end of the year	1.75	1.11

(Amount in ₹ million)

Analysis of defined benefit obligation	FY 2016-17	FY 2015-16
Present value of obligation as at the end of the year	1.75	1.11
Net (asset) / liability recognized in the Balance Sheet	1.75	1.11

(Amount in ₹ million)

Components of employer expenses recognized in the statement of Profit and Loss	FY 2016-17	FY 2015-16
Current service cost	0.30	0.11
Interest cost	0.09	0.02
Expenses recognized in the Statement of Profit and Loss	0.39	0.13

(Amount in ₹ million)

Expenses Recognized in the Other Comprehensive Income (OCI)	FY 2016-17	FY 2015-16
Actuarial (Gains)/Losses on Obligation For the Period	0.31	0.74
Net (Income)/Expense For the Period Recognized in OCI	0.31	0.74

Assumptions	FY 2016-17	FY 2015-16
Discount rate	7.52%	8.07%
Salary Escalation	5.00%	5.00%

Attrition Rate	FY 2016-17	FY 2015-16
- 4 years and below	5.00%	5.00%
- 5 years and above	2.00%	2.00%

a. The discount rate is based on prevailing yields of Indian Government Securities as at the Balance Sheet date for the estimated terms of the obligations.

b. Salary Escalation Rate: The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

c. Assumptions regarding future mortality rates are the rates as given under Indian Assured Lives Mortality (2006-08) Ultimate.

Sensitivity Analysis

(Amount in ₹ million)

Projected Benefit Obligation on Current Assumptions	FY 2016-17		FY 2015-16	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.17)	0.20	(0.11)	0.13
Future Salary growth (1% movement)	0.21	(0.18)	0.14	(0.12)
Employee turnover (1% movement)	0.03	(0.04)	0.26	(0.32)

Maturity profile of defined benefit plan

(Amount in ₹ million)

Projected benefits payable in future years from the date of reporting	FY 2016-17	FY 2015-16
Within 1 year	0.04	0.02
1-2 year	0.04	0.03
2-3 year	0.06	0.03
3-4 year	0.06	0.04
4-5 year	0.59	0.05
5-10 years	0.74	0.56

Weighted average assumptions used to determine net periodic benefit cost

	FY 2016-17	FY 2015-16
Number of active members	65	51
Per month salary cost for active members (₹ million)	1.18	0.91
Weighted average duration of the projected benefit obligation (years)	12.00	13.00
Average expected future service (years)	18.00	18.00
Projected benefit obligation (PBO)	-	-

33 Segment information

Where a financial report contains both consolidated financial statements and separate financial statements of the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.There are no reportable segments.

34 Related party disclosures

A. Relationship between the parent and its subsidiaries and associates :

Relationship	Name of related party
Holding Company	KPIT Technologies Ltd.
Associate Company	Yantra Digital Services Private Limited

B. List of Key Management Personnel :

Key Management Personnel (KMP)	Kishor Patil	Director
	Adi Engineer	Director
	Lila Poonawalla	Director
	Chinmay Pandit	Director
	Satishchandra Ogale	Director
	Anup Sable	Director
	Anil Patwardhan	Chief Financial Officer
	Jaimeetkaur Sial	Company Secretary
	Sunil Gandhi	Manager

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

Enterprise over which KMP has significant influence	Kirtane & Pandit LLP, Chartered Accountants

D. Transactions with related parties

(Amount in ₹ million)

No.	Name of related party	FY 2016-17		FY 2015-16	
		Amount of transactions during the year	Balance as on 31 March 2017 Debit/ (Credit)	Amount of transactions during the year	Balance as on 31 March 2016 Debit/ (Credit)
1	**KPIT Technologies Ltd.**				
	Sale of components	-	0.01	-	0.01
	Purchase of Components	214.51	(178.53)	77.79	(98.45)
	Reimbursement of expenses	0.05	(1.87)	0.37	(1.60)
	Advance (net)	0.26		5.01	
	Deposit received for proposing Dr. Ogale as Director at AGM	0.10	-	-	-
	Deposit given back for proposing Dr. Ogale as Director at AGM	(0.10)	-	-	-
	Sublease payments, including facility charges received	5.62	-	5.30	-
	Equity Contribution, inclusive of advances against equity	500.10	-	181.80	-
2	**Yantra Digital Services Private Limited**				
	Investment	0.05	0.05	-	-
	Advance given	18.38	18.38	-	-
	Loan given	6.00	-	-	-
	Repayment of loan including interest	6.06	-	-	-
	Interest income on loan given	0.06	-	-	-
3	**Sunil Gandhi**				
	Short term employee benefits	7.33	-	3.11	0.11
	Post employment benefit plans	0.22	-	0.07	-
4	**Adi Engineer**				
	Sitting fees	0.06	-	0.06	-
5	**Lila Poonawalla**				
	Sitting fees	0.06	-	0.06	-
6	**Satishchandra Ogale**				
	Sitting fees	0.02	-	0.01	-
7	**Kirtane & Pandit LLP, Chartered Accountants**				
	Professional fees	0.36	-	-	-

Note : Remuneration excludes provision for employee benefits as separate actuarial valuation for the directors, key management personnel and their relatives is not available.

35 **Financial Instruments**

35.1 **Financial Instruments by category**

The carrying value and fair value of financial instruments by categories as on March 31, 2017 are as follows:

(Amount in ₹ million)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets							
Investments	-	10.05	-	-	-	10.05	10.05
Trade receivables	229.05	-	-	-	-	229.05	229.05
Cash and cash equivalents	132.35	-	-	-	-	132.35	132.35
Other balances with banks	64.88	-	-	-	-	64.88	64.88
Loans	34.39	-	-	-	-	34.39	34.39
Other financial assets	10.93	-	-	-	-	10.93	10.93
Total Assets	**471.60**	**10.05**	**-**	**-**	**-**	**481.65**	**481.65**
Liabilities							
Trade payables	227.47	-	-	-	-	227.47	227.47
Other financial liabilities	6.50	-	-	-	-	6.50	6.50
Total Liabilities	**233.97**	-	-	-	-	**233.97**	**233.97**

The carrying value and fair value of financial instruments by categories as on March 31, 2016 were as follows:

(Amount in ₹ million)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets							
Trade receivables	67.60	-	-	-	-	67.60	67.60
Cash and cash equivalents	101.25	-	-	-	-	101.25	101.25
Other balances with banks	5.03	-	-	-	-	5.03	5.03
Loans	14.32	-	-	-	-	14.32	14.32
Total Assets	**188.20**	-	-	-	-	**188.20**	**188.20**
Liabilities							
Trade payables	106.00	-	-	-	-	106.00	106.00
Other financial liabilities	5.13	-	-	-	-	5.13	5.13
Total Liabilities	**111.13**	-	-	-	-	**111.13**	**111.13**

The carrying value and fair value of financial instruments by categories as on April 1, 2015 were as follows:

(Amount in ₹ million)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets							
Cash and cash equivalents	10.65	-	-	-	-	10.65	10.65
Loans	11.23	-	-	-	-	11.23	11.23
Total Assets	**21.88**	-	-	-	-	**21.88**	**21.88**
Liabilities							
Trade payables	3.45	-	-	-	-	3.45	3.45
Other financial liabilities	1.78	-	-	-	-	1.78	1.78
Total Liabilities	**5.23**	-	-	-	-	**5.23**	**5.23**

35.2 **Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on March 31, 2017 :

(Amount in ₹ million)

Particulars	As at 31-Mar-17	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investment in Lithium urban technologies	10.00	-	-	10.00

36 Lease transactions

Operating Leases:

The Company has entered into operating lease arrangements for factory premises and certain facilities for 9 years.

Details of amount recognised in the Statement of Profit and Loss.

(Amount in ₹ million)

Particulars	FY 2016-17	FY 2015-16
Rental Expenses	21.36	20.89
Sub-lease rental income (including facility charges)	5.62	5.30

Rental expenses of ₹ 21.36 million (Previous year ₹ 20.89 million) in respect of obligation under operating leases have been recognized in the Statement of Profit and Loss.

37 Basic and diluted earnings per share

Particulars		FY 2016-17	FY 2015-16
Nominal value per equity share	₹	10.00	10.00
Loss for the year	₹ (million)	(90.72)	(97.57)
Weighted average number of equity shares	No. of shares	73,176,795	38,791,538
Earnings per share - Basic	₹	(1.24)	(2.52)
Earnings per share - Diluted	₹	(1.24)	(2.52)

38 Details of provisions and movements in each class of provisions as required by the Accounting Standard 29 - Provisions, Contingent liabilities and Contingent assets

Warranty

(Amount in ₹ million)

Particulars	FY 2016-17	FY 2015-16
Carrying amount as at the beginning of the year	7.88	-
Additional provision made during the year	-	7.88
Unused amount reversed during the year	(7.88)	-
Carrying amount at the end of the year	-	7.88

39 Taxation

Income Tax provision consists of Current Tax and Deferred Tax. In view of the loss incurred during the current year & the accumulated losses brought forward, no provision has been made for Current Tax in books of accounts of the company.

There is Deferred Tax Asset due to unabsorbed accumulated depreciation in case of the company. However, following prudence, Deferred Tax asset is not recognized in books of accounts of the company.

40 Other disclosures and explanatory notes

1 The company has invested 50% in Yantra Digital Services Pvt. Ltd an associate company. Investment is recorded at cost.

2 The company is not required to prepare Consolidated financials statements as its holding company produces consolidated financial statements that are available for public use and comply with Ind ASs.

3 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

As per our report of even date attached

For Harish K. Lalwani & Associates
Chartered Accountants
Firm Registration Number: 103507W

Harish Lalwani
Partner
Membership No. 039223

Place: Pune
Date: 22 April 2017

For and on behalf of the Board of Directors of
Impact Automotive Solutions Limited

Kishor Patil
Chairman

Chinmay Pandit
Director

Anil Patwardhan
Chief Financial Officer

Jaimeetkaur Sial
Company Secretary

Place: Pune
Date: 22 April 2017

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