KPIT

Creating Innovative Experiences with Digital and Engineering

Financial Statement of Subsidiaries

2017-18

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 2018

The directors present their strategic report for the year ended 31 March 2018.

REVIEW OF BUSINESS

The Directors are pleased to report that 2018 was a successful year for the company.

In the UK territory, the overall economic scenario was mixed in 2017-18. As compared to the previous year, the territory did not show the same level of traction in our Focus Verticals and the sales cycle continue to remain long.Brexit vote in 2016 brought in an uncertain political and economic scenario, which continues.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 2017-18 with its Auto Business leading the way, but the Non-Auto business has remained stable 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 2018-19.

ON BEHALF OF THE BOARD:

P Sathe - Director

24 April 2018

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

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 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

K P Patil

D Koshal

P Sathe

Other changes in directors holding office are as follows:

M O'Connor - resigned 1 July 2017

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.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

24 April 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

KPIT Technologies (UK) Limited

Opinion

We have audited the financial statements of KPIT Technologies (UK) Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

24 April 2018

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018	2017
		£	£
TURNOVER	3	34,713,193	30,020,341
Cost of sales		27,767,745	24,521,979
GROSS PROFIT		6,945,448	5,498,362
Administrative expenses		3,901,643	4,604,692
OPERATING PROFIT	5	3,043,805	893,670
Interest receivable and similar income		21,621	2,896
		3,065,426	896,566
Interest payable and similar expenses	7	15,870	211
PROFIT BEFORE TAXATION		3,049,556	896,355
Tax on profit	8	588,702	183,318
PROFIT FOR THE FINANCIAL YEAR		2,460,854	713,037

Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018	2017
		£	£
PROFIT FOR THE YEAR		2,460,854	713,037
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,460,854	713,037

Balance Sheet

31 MARCH 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		16,583		15,452
Investments	10		10,423,997		10,423,997
			10,440,580		10,439,449
CURRENT ASSETS					
Debtors	11	12,106,674		11,203,506	
Cash at bank		7,198,004		1,984,460	
		19,304,678		13,187,966	
CREDITORS					
Amounts falling due within one year	12	13,879,305		10,223,268	
NET CURRENT ASSETS			5,425,373		2,964,698
TOTAL ASSETS LESS CURRENT LIABILITIES			15,865,953		13,404,147
PROVISIONS FOR LIABILITIES	15		2,297		1,345
NET ASSETS			15,863,656		13,402,802
CAPITAL AND RESERVES					
Called up share capital	16		10,215,966		10,215,966
Retained earnings	17		5,647,690		3,186,836
SHAREHOLDERS' FUNDS			15,863,656		13,402,802

The financial statements were authorised for issue by the Board of Directors on 24 April 2018 and were signed on its behalf by:

P Sathe - Director

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2,018 £	2,017 £
Cash flows from operating activities			
Cash generated from operations	1	2,306,724	898,872
Interest paid		(15,870)	(211)
Tax paid		(316,272)	(509,524)
Net cash from operating activities		1,974,582	389,137
Cash flows from investing activities			
Purchase of tangible fixed assets		(8,360)	(6,368)
Purchase of fixed asset investments		-	(1,286,364)
Interest received		21,621	2,896
Net cash from investing activities		13,261	(1,289,836)
Cash flows from financing activities			
Amount introduced by directors		6,241	4,105
Net cash from financing activities		6,241	4,105
Increase/(decrease) in cash and cash equivalents		1,994,084	(896,594)
Cash and cash equivalents at beginning of year	2	1,984,460	2,881,054
Cash and cash equivalents at end of year	2	3,978,544	1,984,460

Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 April 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
Changes in equity			
Total comprehensive income	-	2,460,854	2,460,854
Balance at 31 March 2018	10,215,966	5,647,690	15,863,656

Notes to the Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2018

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

	2018	2017
	£	£
Profit before taxation	3,049,556	896,355
Depreciation charges	7,752	6,025
Finance costs	15,870	211
Finance income	(21,621)	(2,896)
	3,051,557	899,695
Increase in trade and other debtors	(909,409)	(2,000,990)
Increase in trade and other creditors	164,576	2,000,167
Cash generated from operations	2,306,724	898,872

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 2018		
	31/3/18	**1/4/17**
	£	£
Cash and cash equivalents	7,198,004	1,984,460
Bank overdrafts	(3,219,460)	-
	3,978,544	1,984,460

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2018

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 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:

	2018	2017
	£	£
United Kingdom	27,454,627	22,272,442
Europe	6,113,839	6,122,214
United States of America	1,140,901	1,625,206
Asia	3,826	479
	34,713,193	30,020,341

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	9,400,515	10,037,991
Social security costs	1,014,519	765,747
	10,415,034	10,803,738
The average number of employees during the year was as follows:		
	2018	2017
Marketing, Sales & Delivery	156	169
Administration	4	5
	160	174
	2018	2017
	£	£
Directors' remuneration	383,401	467,387
Information regarding the highest paid director is as follows:		
	2018	2017
	£	£
Emoluments etc	345,116	350,618

5. OPERATING PROFIT

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

	2018	2017
	£	£
Other operating leases	73,531	73,810
Depreciation - owned assets	7,229	5,640
Foreign exchange differences	200,824	(112,265)

6. AUDITORS' REMUNERATION

	2018	2017
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	20,263	17,830

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

	2018	2017
	£	£
Bank interest	15,870	211

8. TAXATION

Analysis of the tax charge

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	587,750	183,844
Deferred tax	952	(526)
Tax on profit	588,702	183,318

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:

	2018	2017
	£	£
Profit before tax	3,049,556	896,355
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	579,416	179,271
Effects of:		
Excess of depreciation over capital allowance	225	(260)
Over/Under provision of tax	8,109	4,833
Deferred tax	952	(526)
Total tax charge	588,702	183,318

9. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Totals
	£	£	£
COST			
At 1 April 2017	44,028	6,746	50,774
Additions	8,360	-	8,360
At 31 March 2018	52,388	6,746	59,134
DEPRECIATION			
At 1 April 2017	28,576	6,746	35,322
Charge for year	7,229	-	7,229
At 31 March 2018	35,805	6,746	42,551
NET BOOK VALUE			
At 31 March 2018	16,583	-	16,583
At 31 March 2017	15,452	-	15,452

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings
	£
COST	
At 1 April 2017	
and 31 March 2018	10,423,997
NET BOOK VALUE	
At 31 March 2018	10,423,997
At 31 March 2017	10,423,997

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

KPIT Technologies GmbH

Registered office: Adams-Lehmann-StraBe. 109, 80797 Munich, Germany.
Nature of business: IT services

	%
Class of shares:	holding
Ordinary	100.00

	2018	2017
	£	£
Aggregate capital and reserves	9,015,811	9,686,774
Profit for the year	(986,042)	4,441,504

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

	2018	2017
	£	£
Trade debtors	10,607,304	9,987,255
Amounts owed by group undertakings	376,082	248,523
Other debtors	260,294	155,354
Directors' current accounts	54,654	60,895
Prepayments and accrued income	808,340	751,479
	12,106,674	11,203,506

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 13)	3,219,460	-
Amounts owed to group undertakings	6,884,058	7,176,374
Tax	453,024	181,546
Social security and other taxes	221,900	241,400
VAT	1,292,150	736,630
Other creditors	425,155	479,139
Accrued expenses	1,383,558	1,408,179
	13,879,305	10,223,268

13. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	3,219,460	-

KPIT India (the ultimate parent company) has given loan to KPIT UK on 18 September 2007, for its working capital requirements. KPIT UK shall be liable to pay interest at 6 months LIBOR on the amount due within 15 days of end of each financial year of KPIT India. KPIT UK shall repay the entire loan within a period not exceeding thirty six (36) months from the date the loan is given.

BNP Paribas have a fixed and floating charge on all specified debts and other debts. The charge is dated 9 March 2018.

14. LEASING AGREEMENTS

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

	2018	2017
	£	£
Within one year	23,694	56,867
Between one and five years	-	23,694
	23,694	80,561

15. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax	2,297	1,345
		Deferred tax
		£
Balance at 1 April 2017		1,345
Unused amounts reversed during year		952
Balance at 31 March 2018		2,297

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
6,421,170	Ordinary	1	10,215,966	10,215,966

17. RESERVES

	Retained earnings £
At 1 April 2017	3,186,836
Profit for the year	2,460,854
At 31 March 2018	5,647,690

18. 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.

19. 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.

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 March 2018 and 31 March 2017:

	2018	2017
	£	£
P Sathe		
Balance outstanding at start of year	60,895	65,000
Amounts repaid	(6,241)	(4,105)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	54,654	60,895

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 2018

	2018		2017	
	£	£	£	£
Sales		**34,713,193**		**30,020,341**
Cost of sales				
Purchases	19,444,518		16,397,045	
Wages	7,504,253		7,587,971	
Social security	818,974		536,963	
		27,767,745		24,521,979
GROSS PROFIT		6,945,448		5,498,362
Other income				
Deposit account interest		21,621		2,896
		6,967,069		5,501,258
Expenditure				
Directors' salaries	383,401		467,387	
Directors' social security	50,656		62,260	
Wages	1,512,861		1,982,633	
Social security	144,889		166,524	
Rent	73,531		73,810	
Rates and water	23,382		17,521	
Insurance	23,272		29,978	
Light and heat	4,083		3,493	
Office expenses	3,704		7,943	
Telephone	52,125		60,475	
Post and stationery	5,575		10,856	
Travelling	1,038,408		1,500,960	
Repairs and renewals	12,085		8,739	
Staff Welfare	9,117		10,872	
Training expenses	3,925		(5,018)	
Recruitment expenses	112,423		53,423	
Subscriptions	53,615		20,804	
Sundry expenses	14,823		12,398	
Legal and professional fees	87,567		97,480	
Auditors' remuneration	20,263		17,830	
Foreign exchange losses	200,824		(112,265)	
Marketing expenses	585		20,799	
Bad debts	29,703		62,662	
		3,860,817		4,571,564
		3,106,252		929,694
Finance costs				
Bank charges	33,074		27,103	
Bank interest	15,870		211	
		48,944		27,314
Carried forward		3,057,308		902,380
Brought forward		3,057,308		902,380
Depreciation				
Plant and machinery	7,752		5,594	
Fixtures and fittings	-		431	
		7,752		6,025
NET PROFIT		3,049,556		896,355

KPIT Technologies GmbH

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

MANAGEMENT REPORT FOR THE FISCAL YEAR 2017-18

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 and Manufacturing. Customers in Automotive 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 has enabled us to get engaged in more transformational type deals.

Solutions offered to automotive sector are Software products and IP in AUTOSAR, ADAS, Powertrain (Conventional and Electric), Infotainment & Diagnostic tooling (ODX/OTX).

We also offer engineering services around embedded software development and testing of Electronic Control Units (ECUs). The ECUs are typically in Powertrain, AD/ADAS, Infotainment, Diagnostics and Body & Chassis. We have been investing in and creating non-linear solutions in this domain, which would contribute in increasing the overall IP, based revenues for the Company.

Solutions offered to the Manufacturing vertical are primarily consulting, development & support services in 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 and has also helped with the integration of the German employees of KPIT into the larger global KPIT ecosystem.

Report on Economic Position

Macro-economic and Sector-specific Environment

During the year FY18, macro-economic conditions became a little more stable and growth was experienced, mainly in the Automotive Vertical. The Company also registered growth in Manufacturing Vertical, which it started focusing on 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.

Progress of Business

The Company positioned itself as a Consultative Partner providing transformative solutions and offerings rather than a mere technology service provider. These offerings provided the customers not only cost savings but also better time-to-market, profitability and cash flows.

In FY 18, the Company strengthened its position in Automotive Products business further.

Financial Position

The Company recorded an overall output of Euro 25.84 Million during the year as compared to Euro 20.26 Million in the previous year. Further, it reported a Net Loss of Euro 1.12 Million as compared to a Net Profit of Euro 5.23 Million in the previous year. The decrease in Profitability was due to investments undertaken by the Company in 2017-18 as well as One-off Other Income occurring during 2016-17 because of Sale of Shares. The Company was able to achieve the Target Revenue as the main customers did well. In this year, the Company has strengthened its Sales Team in Germany and this process is expected to continue in 2018-19.

Other Costs including Staff Costs and Other Operating expenses have shown a more than proportionate increase as compared to the level of operations of the Company because of investments undertaken during the year.

The Company recorded total assets of Euro 23.88 Million at year-end as compared to Euro 23.69 Million in the previous year. The Company had Net Assets of Euro 13.12 Million as of 31st March 2018.

The Net Current Assets have decreased by Euro 1.91 Million as compared to the previous year. Out of the total current liabilities of Euro 9.41 Million, Euro 8.55 Million (91%) 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 0.88 Million and Trade Receivables of Euro 8.95 Million. On an Overall Basis, the Company has a Current Ratio of 1.17 as compared to 1.60 in 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 FY19, 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 30.00 Million and a Net Profit in excess of Euro 1.5 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 optimization. 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 is a little more stable than before but 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 challenges and be able to achieve the revenue targets for FY19. Especially in the areas of AD/ADAS, electric Powertrain, 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, 2018, 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
Pankaj Sathe
Managing Director

Munich/Germany
July 19, 2018

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, 2017 to March 31, 2018. 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, complies with 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, July 19, 2018

TAP Dr. Schlumberger Krämer Pothorn & Partner mbB
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

[Original German version signed by:]

Krämer
Wirtschaftsprüfer
[German Public Auditor]

Balance Sheet

31 MARCH 2018

	Assets	Mar 31, 2018		Mar 31, 2017		Equity and liablities	Mar 31, 2018		Mar 31, 2017
		EUR	EUR	EUR			EUR	EUR	EUR
A.	**Fixed assets**				A.	**Equity**			
I.	**Intangible assets**				I.	**Called up share capital**			
1.	Internally generated industrial and similar rights	630,554.19		0.00					
2.	Concessions, industrial and similar rights and licenses in such rights and assets	259,755.85		309,396.66	1.	Capital subscribed	10,000,000.00		10,000,000.00
3.	Payments on account	0.00		591,000.08	2.	Outstanding contributions - not called up	-838,253.00		-838,253.00
			890,310.04	900,396.74				9,161,747.00	9,161,747.00
II.	**Tangible assets**				**II.**	**Capital reserve**		386,511.59	386,511.59
1.	Other equipment, operating and office equipment		154,634.81	109,923.81	**III.**	**Profit/loss carried forward**		1,859,855.21	-3,370,904.16
III.	**Non-current financial assets**				**IV.**	**Net profit/loss for the year**		-1,124,679.75	5,230,759.36
1.	Investments in affiliated companies	2,452,174.80		4,424,160.80				10,283,434.05	11,408,113.79
2.	Participations	9,225,294.00		9,192,672.00	**B.**	**Provisions**			
			11,677,468.80	13,616,832.80					
			12,722,413.65	14,627,153.35	1.	Tax provisions	89,193.86		97,425.67
B.	**Current assets**				2.	Other provisions	4,096,098.68		6,611,380.58
I.	**Receivables and other assets**							4,185,292.54	6,708,806.25
1.	Trade receivables	8,952,801.77		7,063,212.22	**C.**	**Liablities**			
2.	Receivables from affiliated companies	705,640.15		955.68					
3.	Other assets	611,460.23		582,708.45	1.	Advance payments received on account of orders	330,169.94		386,728.86
			10,269,902.15	7,646,876.35	2.	Trade payables	7,141.90		7,141.90
					3.	Liabilities to affiliated companies	8,547,925.49		4,626,786.13
III.	**Cash in hand, bank balance and checks**		875,239.61	1,372,513.65	4.	Other liabilities	525,174.27		516,730.96
			11,145,141.76	9,019,390.00		- thereof from taxes: EUR 337,092.74 (previous year: EUR 416,350.92)			
C.	**Prepaid expenses**		11,582.78	7,764.54		- thereof for social security: EUR 118,158,73 (previous year: EUR 89,259.39)			
								9,410,411.60	5,537,387.85
			23,879,138.19	23,654,307.89				23,879,138.19	23,654,307.89

Income Statement for the Period

from April 1, 2017 to March 31, 2018

			2017/18	2016/17
		EUR	EUR	EUR
1.	Revenues	25,842,848.84		20,262,314.50
2.	Increase or decrease in work in process	0.00		0.00
			25,842,848.84	20,262,314.50
3.	Other operating income		855,046.83	5,328,750.23
4.	Cost of materials			
	a) Cost of purchased services	-11,352,812.97		-8,409,925.05
			-11,352,812.97	-8,409,925.05
5.	Staff costs			
	a) Wages and salaries	-10,582,271.78		-8,021,023.87
	b) Social security and pension costs	-1,531,422.93		-1,244,425.64
			-12,113,694.71	-9,265,449.51
6.	Depreciation and amortisation			
	a) Amortisation of intangible assets and depreciation of property, plant and equipment	-227,764.78		-108,282.43
			-227,764.78	-108,282.43
7.	Other operating expenses		-4,046,471.60	-2,240,411.86
8.	Other interest and similar income *- thereof from affiliated companies: EUR 17,501.41 (previous year: EUR 3,002.26)*		17,501.41	3,002.26
9.	Interest and similar expenses - thereof to affiliated companies: EUR -103,164.27 (previous year: EUR -112,586.05)		-103,164.27	-112,586.05
10.	**Profit from ordinary operations**		**-1,128,511.25**	**5,457,412.09**
11.	Taxes on income		4,917.00	-201,488.97
12.	Other taxes		-1,085.50	-25,163.76
13.	**Net profit/loss for the year**		**-1,124,679.75**	**5,230,759.36**

FIXED ASSETS SCHEDULE as at March 31, 2018

	Assets	Acquisition- and production cost					Accumulated depreciation				Net block	
		April 1, 2017	Additions	Deductions	Reclassification	March 31, 2018	April 1, 2017	Additions	Deductions	March 31, 2018	March 31, 2018	March 31, 2017
		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I.	**Intangible Assets**											
1.	Internally Generated Intangibles	0.00	0.00	0.00	709,069.08	709,069.08	0.00	78,514.89	0.00	78,514.89	630,554.19	0.00
2.	Consessions, industrial and similar rights and licenses in such rights and assets	418,159.40	40,924.00	0.00	0.00	459,083.40	108,762.74	90,564.81	0.00	199,327.55	259,755.85	309,396.66
3.	Payments on account	591,000.08	118,069.00	0.00	-709,069.08	0.00	0.00	0.00	0.00	0.00	0.00	591,000.08
		1,009,159.48	158,993.00	0.00	0.00	1,168,152.48	108,762.74	169,079.70	0.00	277,842.44	890,310.04	900,396.74
II.	**Tangible assets**											
1.	Other equipment, operating and office equipment	631,589.78	103,396.08	21,150.00	0.00	713,835.86	521,665.97	58,685.08	21,150.00	559,201.05	154,634.81	109,923.81
III.	**Non-current financial assets**											
1.	Investments in affiliated companies	4,424,160.80	0.00	1,971,986.00	0.00	2,452,174.80	0.00	0.00	0.00	0.00	2,452,174.80	4,424,160.80
2.	Participations	9,225,294.00	0.00	0.00	0.00	9,225,294.00	0.00	0.00	0.00	0.00	9,225,294.00	9,225,294.00
		13,649,454.80	0.00	1,971,986.00	0.00	11,677,468.80	0.00	0.00	0.00	0.00	11,677,468.80	13,649,454.80
		15,290,204.06	262,389.08	1,993,136.00	0.00	13,559,457.14	630,428.71	227,764.78	21,150.00	837,043.49	12,722,413.65	14,659,775.35

Notes to the Financial Statements

For Fiscal Year 2017/18

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. Internally generated intangible assets were capitalized with the production costs incurred in the development phase. 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, and the shares of MicroFuzzy Industrie-Elektronic GmbH, Munich.

Receivables from affiliated companies

An amount of KEUR 701 of the total receivables from subsidiaries has a remaining term of more than one year.

Provisions

Other provisions amounting to KEUR 4,096 (PY KEUR 6,611) mainly include provisions of outstanding invoices (KEUR 742; PY KEUR 133), provisions for investment in subsidiaries (KEUR 2.147; i. Vj. KEUR 5,376), provisions for employee bonuses (KEUR 459; PY KEUR 276), provisions for expenses (KEUR 339; PY KEUR 790) and provisions for leave encashment (KEUR 220; PY KEUR 204).

Liabilities

Liabilities to affiliated companies amounting to KEUR 8,548 (PY KEUR 4,627) include liabilities to the indirect shareholder KPIT Technologies Ltd., Pune/India amounting to KEUR 5,888 (PY KEUR 3,365) and liabilities to the direct shareholder KPIT Technologies (UK) Limited, Ruislip Manor, Middlesex/UK amounting to KEUR 90 (PY KEUR 19).

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

		March 31, 2018		
		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	330	0	330
2	Trade payables	7	0	7
3	Liabilities to affiliated companies	6,338	2,210	8,548
	- thereof to shareholders	90	0	90
4	Other liabilities	525	0	525
	- thereof from taxes	377	0	377
	- thereof for social securities	118	0	118
	Total liabilities	7,200	2,210	9,410

		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	5,537

IV. Income statement disclosures

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

Revenues

Broken down by geographic markets, the revenues are:

	2017/18	2016/17
	KEUR	KEUR
Domestic	17,322	14,704
Export	8,521	5,559
Total	25,843	20,262

Cost of materials

The cost of purchased services results from affiliated companies with an amount of KEUR 11,353 (PY KEUR 8,410).

Other operating income

Other operating income of KEUR 855 (PY KEUR 5.329) include income out of a KEUR 800 of the reversal of an accrual and income from exchange rate difference of KEUR 55 (PY KEUR 63).

Other operating expenses

Other operating expenses of KEUR 4,046 (PY KEUR 2,240) include, inter alia, advertising and travel expenses of KEUR 814 (PY KEUR 718) and renting expenses of KEUR 387 (PY KEUR 333). Also, include exchange rate difference expenses of KEUR 49 (PY KEUR 0).

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 1,319 (PY KEUR 334).

Share property

Entity	Participation rate	Equity	Annual result	Financial statements year ending
KPIT Solutions GmbH, Bielefeld	100%	EUR 713.090,62	EUR 41.732,77	March 31, 2018
MicroFuzzy Industrie-Elektronic GmbH, München	75%	EUR 1.771.012,66	EUR 797.797,14	March 31, 2018

Managing director

Managing director in fiscal year 2017/18 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 2017/18 167 (previous year 140) persons were employed on average.

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

	Employees	
	2017/18	2016/17
Project	143.0	119.0
Marketing	16.0	11.0
Support	8.0	10.0

Group affiliation

The financial statements of KPIT Technologies GmbH are included in the consolidated financial statements of KPIT Technologies Ltd., Pune/India as of March 31, 2018.

The consolidated financial statements of KPIT Technologies Ltd., Pune/India as of March 31, 2018 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, 2018

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 Seventh report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2018.

Financial Results

Particulars	2017-18 Euro (Million)	2016-17 Euro (Million)
Total Income	4.53	4.41
Net Profit / (Loss) for the period	0.17	0.21

Operations

During the year under review, there was gradual increase in the income of the Company and the net profit declined as compared to previous year.

Audit

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

For and on behalf of the Board of Directors
KPIT Technologies Netherlands B.V.

Pune
April 23, 2018

Kishor Patil
Chairman

2. FINANCIAL STATEMENTS

2.1 BALANCE SHEET AS AT 31 MARCH 2018

(After proposal appropriation of result)

ASSETS

		2018		2017	
		EUR	EUR	EUR	EUR
FIXED ASSETS					
FINANCIAL FIXED ASSETS					
Receivables from group companies	1		700.000		-
Total fixed assets			700.000		-
CURRENT ASSETS					
RECEIVABLES					
Trade receivables	2	860.688		797.388	
Receivables from group companies	3	1.040		-	
Taxes and social security charges	4	15.489		-	
Other receivables, prepayments and accrued income	5	10.964		32.085	
			888.181		829.473
CASH	6		827.319		1.114.686
Total current assets			1.715.500		1.944.159
			2.415.500		**1.944.159**
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					
Issued share capital	7	500.000		500.000	
Other reserve	8	848.594		675.913	
			1.348.594		1.175.913
CURRENT LIABILITIES, ACCRUALS AND DE-FERRED INCOME					
Accounts payable	9	707.168		366.584	
Taxes and social security charges	10	262.902		306.448	
Other liabilities and accrued expen-ses	11	96.836		95.214	
			1.066.906		768.246
			2.415.500		**1.944.159**

2.2 PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2016 UNTIL 31 MARCH 2018

		1-4-2017 / 31-3-2018		1-4-2016 / 31-3-2017	
		EUR	EUR	EUR	EUR
NET TURNOVER	12	4.531.628		4.407.336	
Cost of sales	13	-3.935.814		-3.816.712	
GROSS MARGIN			595.814		590.624
Personnel expenses		198.150		151.824	
Other operating expenses	14	182.538		152.035	
Total operating expenses			380.688		303.859
OPERATING RESULT			215.126		286.765
Interest and similar income		8.422		30	
Interest and similar expenses		-5.987		-16.267	
Financial income and expense			2.435		-16.237
RESULT OF ORDI-NARY ACTIVITIES BEFORE TAXATION			217.561		270.528
Taxation			-44.880		-57.797
NET RESULT AFTER TAXATION			172.681		212.731

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

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

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.

CONVERSION OF AMOUNTS DENOMINATED IN FOREIGN CURRENCY

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 PRINCIPLES

RECEIVABLES

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. 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 PRINCIPLES FOR DETERMINING THE RESULT

The result is the difference between the realisable value of the 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 services supplied during the financial year reported on, net of discounts and value added taxes.

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

	FIXED ASSETS		
	FINANCIAL FIXED ASSETS	**2018**	**2017**
		EUR	**EUR**
1	**RECEIVABLES FROM GROUP COMPANIES**		
	KPIT Germany GmbH	700.000	-

On 24 July 2017 the Company granted a loan to KPIT Technologies GmbH. The loan receivable as at March 31, 2018 amounts to EUR 700,000. The interest on the loan is 1.75% over the Euro Interbank Rate (Euribor rate) and is calculated on an anuual basis. The loan has to be repaid within 36 months on rolling basis from the date of disbursal of the loan.

	CURRENT ASSETS	**2018**	**2017**
		EUR	**EUR**
2	**TRADE RECEIVABLES**		
	Trade receivables	865.164	797.388
	Provision for doubtful debts	-4.476	-
		860.688	**797.388**
3	**RECEIVABLES FROM GROUP COMPANIES**		
	KPIT Germany GmbH	1.040	-

	KPIT GERMANY GMBH	**2017 / 2018**	**2016 / 2017**
		EUR	**EUR**
	Balance as at 1 April	-	-
	Movements		
	Repayment in financial year	-7.382	-
	Interest	8.422	-
	Balance movements	1.040	-
	Balance as at 31 March		
	Repayment in financial year	-7.382	-
	Interest	8.422	-
	Balance as at 31 March	1.040	-
4	**TAXES AND SOCIAL SECURITY CHARGES**		
	Company tax	15.489	-
5	**OTHER RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME**		
	Accrued income	-	20.657
	Prepaid personnel expenses	9.146	8.811
	Other prepaid expenses	1.818	2.617
		10.964	32.085
6	**CASH**		
	HSBC Bank	827.319	1.114.686

SHAREHOLDERS' EQUITY

7 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.

		2017 / 2018	**2016 / 2017**
		EUR	**EUR**
8	**OTHER RESERVE**		
	Balance as at 1 April	675.913	463.182
	Appropriated of result	172.681	212.731
	Balance as at 31 March	848.594	675.913

CURRENT LIABILITIES, ACCRUALS AND DEFERRED INCOME

9 ACCOUNTS PAYABLE

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

		2018	**2017**
		EUR	**EUR**
10	**TAXES AND SOCIAL SECURITY CHARGES**		
	Value added tax	219.260	233.608
	Wage tax	43.642	37.469
	Company tax	-	35.371
		262.902	**306.448**
11	**OTHER LIABILITIES AND ACCRUED EXPENSES**		
	Current account shareholder	22.349	9.975
	Net wages	2.491	-
	Accrued bonus	40.647	25.457
	Other accrued expenses	31.349	59.782
		96.836	**95.214**

CONTINGENT ASSETS AND LIABILITIES

DISCLOSURE OF OPERATING LEASES

The company has a operational car lease contract with a remaining period of 29 months with a total future liability of EUR 34.700

SUBSEQUENT EVENTS

The company is investigating if they are obliged to follow a pension scheme of a different sector from the sector in which the company is currently working. When the company is placed in a different sector, it may have an extra future liability regarding pensions. As this is currently under investigation the amount of the future liability cannot be estimated yet.

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 2017 until 31 March 2018 in the amount of EUR172.681 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

		1-4-2017 / 31-3-2018	1-4-2016 / 31-3-2017
		EUR	EUR
12	**NET TURNOVER**		
	Domestic Sales	1.137.460	1.502.358
	Domestic sales back to back	3.039.966	2.789.590
	Foreign Sales	354.202	115.388
		4.531.628	**4.407.336**
	The foreign sales is to a group company.		

13	**COST OF SALES**		
	Cost of sales	2.684.473	2.492.691
	Recharged personnel expenses	1.251.341	1.324.021
		3.935.814	**3.816.712**
	WAGES AND SALARIES		
	Gross salaries	1.099.799	1.029.044
	Commission	44.521	39.341
	Holliday allowance	84.161	75.602
	Health insurance	39.475	33.361
		1.267.956	**1.177.348**
	Recharged to direct costs	-1.080.109	-1.054.850
		187.847	**122.498**

AVERAGE NUMBER OF EMPLOYEES

During the financial year 2017 / 2018, the average number of employees employed by the company was 19 (2016 / 2017: 16).

	1-4-2017 / 31-3-2018	1-4-2016 / 31-3-2017
	EUR	EUR
SOCIAL SECURITY CHARGES		
Social security charges	120.419	110.636
Recharged to direct costs	-120.419	-100.160
	-	**10.476**
OTHER STAFF EXPENSES		
Subcontractor	-	57.551
Recruitment expenses	-	18.850
Other staff expenses	61.116	111.460
	61.116	**187.861**
Recharged to direct costs	-50.813	-169.011
	10.303	**18.850**

		1-4-2017 / 31-3-2018	1-4-2016 / 31-3-2017
		EUR	EUR
14	**OTHER OPERATING EXPENSES**		
	Housing expenses	4.365	2.880
	Selling expenses	39.797	28.774
	Car expenses	16.253	14.718
	General expenses	122.123	105.663
		182.538	**152.035**
	SELLING EXPENSES		
	Travelling and hotel expenses	28.686	20.216
	Gifts	9.953	8.657
	Representation expenses	632	856
	Movement provision doubtful debtor	526	-955
		39.797	**28.774**
	GENERAL EXPENSES		
	Professional fees	71.202	62.812
	Other expenses	50.921	42.851
		122.123	**105.663**

	1-4-2017 / 31-3-2018	1-4-2016 / 31-3-2017
	EUR	EUR
INTEREST OF RECEIVABLES FROM GROUP COMPANIES		
Interest receivable from Kpit Germany	8.422	-

Amsterdam, 23 April 2018

KPIT Technologies Netherlands B.V.

Board of directors

KPIT Technologies France

Registered office: 10 avenue Franklin D. Roosevelt - 75008 Paris.

Board's Report

Dear Shareholders,

Your Board of Directors is pleased to present their Twelfth report on the operations of the Company together with the audited accounts for the financial year ended March 31, 2018.

Financial Results

Particulars	2017-18 Euro	2016-17 Euro
Total Income	3,395,738	6,596,407
Net Profit / (Loss) for the year	(217,276)	(138,110)

Operations

During the year under review, the total income of the Company decreased by 49% 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 20, 2018

Kishor Patil
Chairman

Statutory auditor's report on the financial statements

For the year ended 31 March 2018

Dear Shareholders,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of KPIT Technologies France SAS for the year ended 31 March 2018.

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 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st April 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of Assessments

In accordance with the requirements of article L.823-9 and R.823-7of the French Commercial Code ("Code de commerce") relating to the justification of our assessments we inform you that the most important assessments made by us according to our professional judgment focused on the appropriateness of the accounting principles used.

These assessments were made in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the financial statements.

Verification of the Management Report and of the Other Documents Provided to Shareholders

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 other documents provided to Shareholders with respect to the financial position and the financial statements.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can 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 specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.
- Obtains an understanding of 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 internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting 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 to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Marcq en Baroeul, on the 20 avril 2018

French original signed by Patrick Lequint

BALANCE SHEET - ASSETS

Assets	Current Year 31/03/2018 (12 months)			Past year 31/03/2017 (12 months)
	Brut	Depr.& prov.	Net	Net
FIXED ASSETS				
Concessions, patents and similar rights	**23,000.00**	17,761.12	5,238.88	12,905.55
Other tangible fixed assets	57,108.27	41,284.47	15,823.80	21,688.41
Loans	2,510,977.48	-	2,510,977.48	2,009,210.58
Other fixed assets	18,151.24	-	18,151.24	17,898.34
TOTAL (I)	**2,609,236.99**	**59,045.59**	**2,550,191.40**	**2,061,702.88**
CURRENT ASSETS				
Trade and related accounts	778,537.05	-	778,537.05	637,968.11
Other receivables				
• Debtors suppliers	976.32	-	976.32	-
• State, profit tax	46,533.00	-	46,533.00	305,627.00
• State, turnover tax	7,458.87	-	7,458.87	130,794.14
• Other	287.00	-	287.00	1,716.00
Cash	513,452.53	-	513,452.53	523,851.22
Prepaid expenses	2,422.45	-	2,422.45	24,393.19
TOTAL (II)	**1,349,667.22**	**-**	**1,349,667.22**	**1,624,349.66**
Charges to be spread over sevral periods	-		-	-
Premium for redemption of bonds	-		-	-
Unrealized exchange losses	-		-	-
TOTAL ASSETS	**3,958,904.21**	**59,045.59**	**3,899,858.62**	**3,686,052.54**

BALANCE SHEET - EQUITY AND LIABILITIES

EQUITY AND LIABILITIES	Current Year 31/03/2018 (12 months)	Past year 31/03/2017 (12 months)
SHAREHOLDERS' EQUITY		
Share capital (paid-up capital : 100000)	100,000.00	100,000.00
Legal reserve	14,987.32	14,987.32
Retained (profit/losses) brought forward merger	2,486,902.85	2,625,013.09
Net income or loss of the tax year	**-217,276.23**	**-138,110.24**
TOT AL(I)	**2,384,613.94**	**2,601,890.17**
TOTAL(II)	-	-
Provisions for liabilities and charges	-	-
TOTAL (III)	-	-

LOANS AND DEBTS		
Other financial borrowing and debts		
Trade notes and related accounts payable	1,167,774.85	511,945.54
Tax payable and social liabilities		
• Staff	121,093.18	160,961.12
• Payroll taxes	93,664.36	139,609.06
• State, turnover tax	107,594.85	239,872.69
• Other taxes	757.00	6,735.00
Other debts	24,360.44	25,038.96
TOTAL(IV)	**1,515,244.68**	**1,084,162.37**
TOTAL LIABILITIES	**3,899,858.62**	**3,686,052.54**

INCOME STATEMENT

INCOME STATEMENT	Current Year 31/03/2018 (12 months)			Past year 31/03/2017 (12 months)
	France	Export	Total	Total
Sales of manufactured services	1,878,225.68	1,491,529.11	3,369,754.79	6,575,911.58
Net turnover	**1,878,225.68**	**1,491,529.11**	**3,369,754.79**	**6,575,911.58**

INCOME STATEMENT	Current Year 31/03/2018 (12 months)	Past year 31/03/2017 (12 months)
Recaptures on depreciations and reserves, expense transfer	25,968.00	
Other operating income	15.26	20,495.75
Total operating income	**3,395,738.05**	**6,596,407.33**
Other purchases and external expenses	2,376,179.73	4,737,579.61
Taxes and assimilated payments	29,383.67	59,571.49
Salaries and wages	932,546.16	1,343,231.12
Social security expenses	276,937.32	611,456.64
Operating allowances on fixed assets : depreciation allowances	14,321.70	15,110.37
Operating allowances on current assets : reserve allowances	-	14,568.00
Other expenses	19,699.35	282.83
Total operating expenses	**3,649,067.93**	**6,781,800.06**
OPERATING RESULT	**-253,329.88**	**-185,392.73**
Other holdings and capitalized receivables	47,942.71	54,526.58
Profit on foreign exchange	3,148.78	
Total financial income	**51,091.49**	**54,526.58**
Loss on foreign exchange	15,805.77	29.09
Total financial expenses	**15,805.77**	**29.09**
FINANCIAL RESULT	**35,285.72**	**54,497.49**
Ordinary result before tax	**-218,044.16**	**-130,895.24**
Extraordinary capital gains	767.93	-
Total extraordinary income	**767.93**	**-**
Extraordinary operating losses		48,615.00
Total extraordinary expenses		**48,615.00**
EXTRAORDINARY RESULT	**767.93**	**-48,615.00**
Income tax		-41,400.00
Total Income	**3,447,597.47**	**6,650,933.91**
Total expenses	**3,664,873.70**	**6,789,044.15**
NET RESULT	**-217,276.23**	**-138,110.24**

BALANCE SHEET - ASSETS

ASSETS	Current Year 31/03/2018 (12 months)			Past year 31/03/2017 (12 months)
	Brut	Depr&prov	Net	Net
FIXED ASSETS				
Concessions, patents and similar rights	23,000.00	17,761.12	5,238.88	12,905.55
205000 CONCESS.BREVETS LICENCES	23,000.00		23,000.00	23,000.00
280500 AMORT.CONC.BREVETS LICENCE		17,761.12	-17,761.12	-10,094.45
Other tangible fixed assets	57,108.27	41,284.47	15,823.80	21,688.41
218100 Others installation and fiting	11,872.91		11,872.91	11,872.91
218300 Office and computer equipement	28,285.88		28,285.88	27,495.46
218310 MATERIEL SALON AUTO	1,149.98		1,149.98	1,149.98
218400 Office equipment	15,799.50		15,799.50	15,799.50
281810 Amortisation of others instal		3,545.52	-3,545.52	-2,250.42
281830 Amortisation of office and comput		24,731.33	-24,731.33	-21,334.68
281831 AMORT MAT SALON AUTO		613.33	-613.33	-230.00
281840 AMORT. MOBILIER		12,394.29	-12,394.29	-10,814.34
Loans	2,510,977.48	-	2,510,977.48	2,009,210.58
274800 AUTRES PRETS	1,500,000.00		1,500,000.00	1,000,000.00
274900 LOAN UK	1,000,000.00		1,000,000.00	1,000,000.00
276840 INT COUR/PRETS	9,448.71		9,448.71	8,964.00
276841 INT COURUS PRET UK	1,528.77		1,528.77	246.58
Other fixed assets	18,151.24	-	18,151.24	17,898.34
275000 Deposit	18,151.24		18,151.24	17,898.34
TOTAL (I)	**2,609,236.99**	**59,045.59**	**2,550,191.40**	**2,061,702.88**
CURRENT ASSETS				
Trade and related accounts	**778,537.05**	**-**	**778,537.05**	**637,968.11**
411000 Customers and related accounts	703,452.36		703,452.36	634,261.63
416000 Doubt ful debs				14,568.00
418100 Customers - Invoices to be issued	75,084.69		75,084.69	3,706.48
491000 Dep. doubt fu debs				-14,568.00
Other receivables				
• Debtors suppliers	976.32	-	976.32	-
401001 Suppliers and related accounts -	976.32		976.32	
• State, profit tax	**46,533.00**	**-**	**46,533.00**	**305,627.00**
444000 Income tax	5,133.00		5,133.00	264,227.00
444110 CARRYBACK	41,400.00		41,400.00	41,400.00
• State, turnover tax	**7,458.87**	**-**	**7,458.87**	**130,794.14**
445661 VAT - deductible	1,082.97		1,082.97	9,179.15
445721 TVA COLL / ACH PREST IMM 2				119,226.06
445860 VAT acc on invoice to be recei	6,375.90		6,375.90	2,388.93
• Other	287.00	-	287.00	1,716.00
448700 ETAT PRODUITS A RECEVOIR	**287.00**		287.00	1,716.00
Cash	513,452.53	-	513,452.53	523,851.22
512000 Bank SG	3,266.41		3,266.41	5,793.37
512100 Bank HSBC	510,186.12		510,186.12	518,057.85
Prepaid expenses	**2,422.45**	**-**	**2,422.45**	**24,393.19**
486000 Prepaid expenses	2,422.45		2,422.45	24,393.19
TOTAL (II)	**1,349,667.22**	**-**	**1,349,667.22**	**1,624,349.66**
Charges to be spread over sevral periods	-		-	-
Premium for redemption of bonds	-		-	-
Unrealized exchange losses	-		-	-
TOTAL ASSETS	**3,958,904.21**	**59,045.59**	**3,899,858.62**	**3,686,052.54**

BALANCE SHEET - EQUITY AND LIABILITIES

EQUITY AND LIABILITIES	Current Year 31/03/2018 (12 months)	Past year 31/03/2017 (12 months)
SHAREHOLDERS' EQUITY		
Share capital (paid-up capital : 100000)	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 (profit/losses) brought forward merger	**2,486,902.85**	**2,625,013.09**
110000 Profit or loss carried forward	2,486,902.85	2,625,013.09
Net income or loss of the tax year	**-217,276.23**	**-138,110.24**
TOT AL(I)	**2,384,613.94**	**2,601,890.17**
TOTAL(II)	-	-
Provisions for liabilities and charges	-	-
TOTAL (III)	-	-
LOANS AND DEBTS		
Other financial borrowing and debts		
Trade notes and related accounts payable	1,167,774.85	511,945.54
401000 Suppliers and related accounts	1,098,966.38	495,604.39
408100 Sup - invoices to be received	38,255.42	14,333.48
408103 Ceedit note KPINDE UNBILLED	30,553.05	2,007.67
Tax payable and social liabilities		
• Staff	121,093.18	160,961.12
421000 Staff remuneration payable	30,732.11	
425000 PERS AVANCES ET ACOMPTES	281.00	
428200 Accrued paid holidays	45,117.72	81,119.44
428500 Accrued salary	41,148.90	75,517.81
428640 Accrued paid RTT	3,813.45	4,323.87
• Payroll taxes	93,664.36	139,609.06
431000 Social security	18,973.00	33,730.00
437100 Others social agencies (capimmec)	22,144.29	12,381.79
437500 Others social agencies (prévoyanc	1,715.26	3,862.54
437600 Others social agencies (mutuelle)	3,578.83	4,954.17
438200 Acc soc charge on paid holida	22,558.86	40,559.73
438500 Social agencies - Accrued amounts	20,574.40	37,758.90
438600 Other accrued social agencies	2,213.00	4,200.00
438650 Acc soc charge on paid RTT	1,906.72	2,161.93
• State, turnover tax	107,594.85	239,872.69
445510 Turnover tax VAT payable	22,365.00	47,298.00
445621 TVA DED/ ACH PREST IMM 20%		119,226.06
445711 TVA coll 20%	80,549.85	72,730.88
445870 VAT Accrued on customers not yet	4,680.00	617.75
• Other taxes	757.00	6,735.00
448600 Others taxes Accrued amount payab	757.00	6,735.00
Other debts	24,360.44	25,038.96
411001 Customers and related accounts -	14,670.10	20,014.42
467005 NDF CAROLE BRUN	1,623.28	
467050 NDF ANIMESH DAS	77.65	
467068 NDF JAGANNATH PRAKASH SAWA	2,937.51	
467069 NDF MASKATI Abbas	3,555.80	
467070 NDF Pawan Kr.Mishra	1,496.10	
467300 Others debtors and creditors		5,024.54
TOTAL(IV)	**1,515,244.68**	**1,084,162.37**
TOTAL LIABILITIES	**3,899,858.62**	**3,686,052.54**

INCOME STATEMENT	Current Year 31/03/2018 (12 months)			Past year 31/03/2017 (12 months)
	France	Export	Total	Total
Sales of manufactured services	1,878,225.68	1,491,529.11	3,369,754.79	6,575,911.58
706103 Sales of services 20%	986,885.10		986,885.10	4,839,699.03
706307 PRESTATION LEGRAND 20%	859,458.34		859,458.34	438,200.00
706900 Sales 0 %		1,447,923.41	1,447,923.41	1,036,988.00
708503 Frais refacturation 20%	31,882.24		31,882.24	164,212.41
708900 Recharging cost 0 %		39,448.98	39,448.98	3,875.45
708902 Recharging cost inde		4,156.72	4,156.72	92,936.69
Net turnover	**1,878,225.68**	**1,491,529.11**	**3,369,754.79**	**6,575,911.58**

INCOME STATEMENT	Current Year 31/03/2018 (12 months)	Past year 31/03/2017 (12 months)
Recaptures on depreciations and reserves, expense transfer	25,968.00	
781740 Release Accrual debt clients	14,568.00	
791000 Orther avantage salaries	11,400.00	
Other operating income	15.26	20,495.75
758000 Others current income	15.26	20,495.75
Total operating income	**3,395,738.05**	**6,596,407.33**
Other purchases and external expenses	2,376,179.73	4,737,579.61
604100 Project studies		10,000.00
604900 Operationnal subcontracting - KP	1,662,271.42	3,759,496.28
604901 ACHAT PREST KPIT GERMANY	-703.32	76,804.24
604920 EXPENSES KPIT INDE	67,381.42	127,368.44
604923 EXPENSES KPUK	4,553.76	1,957.97
604925 EXPENSES SYSTIME USA	1,884.18	150,150.06
604926 EXPENSES KPIT USA	21,975.32	48,014.12
604928 EXPENSES KPIT CANADA	75,450.33	33,186.21
604929 EXPENSES KPIT SPARTA	123,422.18	
606110 FOURN.NON STOCK.(ELECT.)	659.63	763.80
606300 Non invetory materials and sup	1,064.08	4,838.89
606310 Non inventory materials	287.01	410.03
606400 Administrative furniture and mate	1,008.71	3,756.41
611200 SOUS TRAITANCE KPIT UK	16,480.70	17,317.15
611300 G & A COSTS KPIT INDIA	34,438.00	58,244.70
613200 Rent and rental charges(offices)	66,091.20	65,515.59
614100 Other rent costs	10,812.57	9,519.46
615200 Maintenance and repairs	4,500.00	4,351.00
616100 Insurance	1,214.52	1,179.04
618501 Seminar, conferences		1,660.00
622600 Fees	44,927.50	60,075.50
622602 Others fees	14,688.00	7,732.00
622603 HONORAIRES OPENMIX GRISI	82,251.00	
622605 Auditor Fees	9,964.49	6,089.06
622610 Lawyer Fees	23,187.53	25,507.75
622700 Other fees	69.47	11.71
623100 Legal publications	133.33	149.83
623300 FOIRES ET EXPOSITION		29,208.81
623310 Advertising, publications, public		1,600.00
623400 Advertising, publications, public		205.27

INCOME STATEMENT	Current Year 31/03/2018 (12 months)	Past year 31/03/2017 (12 months)
624800 Other transports	1,017.80	894.67
625100 Travel, external missions	71,876.45	142,140.83
625101 Reinvoicing travel groupe KPIT		28,416.42
626000 Postal and telecommunications	562.48	1,572.36
626100 Costs mobil SFR	13,805.97	32,162.17
626400 FRAIS INTERNET	8,647.02	2,153.01
627500 Bank and similar services	12,256.98	25,126.83
Taxes and assimilated payments	29,383.67	59,571.49
631200 Taxes on wages and salaries (taxe	4,283.59	8,300.53
633300 Taxes on wages and salaries (form	3,248.08	12,750.96
635110 Others taxes (taxe professionnell	21,741.00	38,520.00
635800 Others taxes (IFA)	111.00	
Salaries and wages	932,546.16	1,343,231.12
641100 Wages and salaries	618,234.94	1,220,883.78
641200 Holiday pay - accruals	-36,001.72	11,153.91
641210 RTT pay accruals	-510.42	-2,621.21
641400 Other salaries	371,000.00	113,657.82
641401 Other avantages	2,996.57	3,365.01
641430 AVANTAGE EN NATURE LOGEMEN	11,400.00	
641501 Other salaries	-204.30	
641510 Accrued bonus VPI	-34,368.91	-3,208.19
Social security expenses	276,937.32	611,456.64
645100 Social security	192,235.68	365,399.67
645320 Others social contributions (capi	67,698.91	134,128.43
645400 Others social contributions (asse	24,686.31	42,439.34
645500 Others social contributions (prev	8,568.18	16,720.80
645510 Others social contributions (mutu	14,053.49	20,978.35
645880 Accrued soc contr / paid RTT	-255.21	-1,310.60
647100 Accrued soc contr / paid holid	-18,000.87	5,576.97
647500 Accrued soc contrib	-17,184.50	-1,604.10
647510 Accrued soc contrib / 13è moi		
648000 Other benefits costs	5,858.40	12,431.95
648010 Indèmnité de repas	3,372.36	2,759.52
648100 Other staff cost	1,601.73	990.28
648300 AUTRES DEPENSES DE PERSONN	200.00	6,251.00
648400 ESOP KPIT INDIA	-2,193.16	10,701.03
649000 CICE	-3,704.00	-4,006.00
Operating allowances on fixed assets : depreciation allowances	14,321.70	15,110.37
681110 Depreciation of intangible off	7,666.67	7,666.67
681120 Depreciation of tangible assets	6,655.03	7,443.70
Operating allowances on current assets : reserve allowances	-	14,568.00
681740 Depreciation of tangible asset		14,568.00
Other expenses	19,699.35	282.83
658000 Other current operating charges	19,699.35	282.83
Total operating income	**3,649,067.93**	**6,781,800.06**
OPERATING RESULT	**-253,329.88**	**-185,392.73**
Other holdings and capitalized receivables	47,942.71	54,526.58
762000 PROD.DES AUTRES IMMO FINAN	47,942.71	54,526.58

INCOME STATEMENT	Current Year 31/03/2018 (12 months)	Past year 31/03/2017 (12 months)
Profit on foreign exchange	3,148.78	
766000 Exchange gains	3,148.78	
Total financial income	**51,091.49**	**54,526.58**
Loss on foreign exchange	15,805.77	29.09
666000 Foreing exchanges losses	15,805.77	29.09
Total financial expenses	**15,805.77**	**29.09**
FINANCIAL RESULT	**35,285.72**	**54,497.49**
Ordinary result before tax	**-218,044.16**	**-130,895.24**
Extraordinary capital gains	767.93	
778800 Others income	767.93	
Total extraordinary income	**767.93**	
Extraordinary operating losses		48,615.00
671200 Penalities		48,615.00
Total extraordinary expenses		**48,615.00**
Extraordinary result	**767.93**	**-48,615.00**
Income tax		-41,400.00
699000 Carry back		-41,400.00
Total Income	**3,447,597.47**	**6,650,933.91**
Total expenses	**3,664,873.70**	**6,789,044.15**
NET RESULT	**-217,276.23**	**-138,110.24**

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, 2018.

Financial Results

Particulars	2017– 18 (EURO)	2016 – 17 (EURO)
Total Income	8,087,780	7,958,635
Net Profit / (Loss) for the period	41,733	(84,349)

Operations

During the year under review, total income of the Company increased resulting into profit of 150%.

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 17, 2018

A. ENGAGEMENT AND EXECUTION

The management of

KPIT Solutions GmbH of Bielefeld

assigned us to prepare the annual financial statement of the company for the period ending March 31, 2018.

We carried out the assignment in April 2018.

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

The balance sheet as of March 31, 2018, the income statement for the period of April 1, 2017, until March 31, 2018, and the notes to the financial year 2017/2018 are attached to this report as Appendix 1 to 3.

Allocations and explanations of the individual items of the balance sheet and income statement are included in Appendix 4.

The General Contractual Conditions for German Tax Advisors, attached as Appendix 5 (in German), govern the execution of this assignment and our responsibility with respect to our client and third parties.

B. LEGAL AND TAX INFORMATION

1. Legal information

Company name:	KPIT Solutions GmbH
Business Location:	Bielefeld
Corporation Purpose:	The corporate purpose is hardware and software distribution, software development and implementation, and similar businesses. The company may establish branch offices and hold equity in other companies.
Capital stock, shareholders:	The capital stock amounts to € 25,000.00. As of March 31, 2018, KPIT Technologies GmbH, located in Munich, is the sole shareholder of KPIT Solutions GmbH. The initial capital contributions are fully paid up.
Management, representation:	Mr. Ulrich Heinzel and Mrs. 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.
Commercial procurations:	Mr Uwe Kappmeier was granted general commercial powers of sole representation (single proxy).
Articles of association:	Version as of November 31, 2010
Commercial register:	The initial registration took place in the commercial register of the Bad Homburg v.d. Höhe Local Court under HRB 9388 on October 31, 2003. With relocation of the head office the Company has been registered in the commercial register of the Bielefeld Local Court under HRB 39769 on October 30, 2009.
Financial year:	The financial year begins on April 1 of each year and ends on March 31 of the following year.
Shareholders' meeting:	The resolutions adopted at the shareholders' meeting for the prior-years annual financial statement included the following: - The annual financial statements for the period ended March 31, 2017, are adopted. - The full amount of the profit for the financial year 2016/2017 is carried forward to new account. - The actions of management for the financial year 2016/2017 are ratified.

2. Tax information

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

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

C. BUSINESS CIRCUMSTANCES

1. Business fundamentals

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

The following members of staff were employed at the balance sheet date:

	31.03.2018	31.03.2017
Managing directors	2	2
Commercial employees	40	49
Auxiliary	3	2
Apprentices	3	5
	48	**58**

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

To analyse net assets, financial position and profit situation, we organised the items in the balance sheet and income statement according to soand business practices and compared the most recent financial years.

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

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

2.1 Development of net assets

a. Standardised balance sheet

The following table groups individual balance sheet items based on financial and economic criteria and compares them to the corresponding items of 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 own capital or liabilities, with liabilities sub-classified into long-term and middle-/short-term liabilities.

ASSETS	31.03.2018	31.03.2017
	€ '000	€ '000
Fixed assets		
Intangible assets	11	15
Tangible assets	21	27
	32	**42**
Current assets, readily convertible to cash		
Trade debtors	1.515	1.565
Other assets	143	127
Cash and cash equivalents/securities	475	398
	2.133	**2.090**
Current assets, other		
Stocks	39	13
Deferred income	262	115
	301	**168**
Total assets	**2.466**	**2.300**

LIABILITIES	31.03.2017	31.03.2016
	€ '000	€ '000
Shareholders' equity		
Share capital	25	25
Retained earnings brought forward	646	730
Profit or loss for the financial year	42	-84
	713	**671**
Liabilities, current		
Provisions for taxations	85	85
Other provisions	391	406
Down payments received	12	37
Trade payables and related accounts	464	372
Other accounts payable	114	167
Provisions and deferred income	687	562
	1.753	**1.629**
Total liabilities	**2.466**	**2.300**

b. Capital structure

Definition: Shareholders' equity as a % of total capital (equity ratio)
Debt capital as a % of total capital (debt ratio)
Debt capital as a % of shareholders' equity (debt/equity ratio)

Purpose: To evaluate the Company's capital structure

Financial year		31.03.2018	31.03.2017
Equity ratio	%	28,9	29,2
Debt ratio	%	71,1	70,8
Debt/equity ratio	%	246,0	242,5

c. Asset structure

Definition: Fixed assets as a % of total assets (asset intensity)
Current assets as a % of total assets (current to total assets)

Purpose: To evaluate the Company's asset structure

Financial year		31.03.2018	31.03.2017
Asste intensity	%	1,3	1,8
Current to total assets	%	98,7	98,2

d. Debtors turnover (in days)

Definition: Average volume of receivables x 360 days turnover

Purpose: To determine the average period granted for payment

Financial year	2017/2018	2016/2017
Days	70,5	67,6

e. Creditors turnover (in days)

Definition: Average volume of accounts payable x 360 days turnover

Purpose: To determine the average period claimed for payment

Financial year	2017/2018	2016/2017
Days	60,4	60,7

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 "short-term liquid fands":

		2017/2018	2016/2017
		€ '000	€ '000
1.	**Annual result**	42	-84
2.	Depreciations/-ups on objects of fixed asset	18	24
3.	Increase/decrease in long-term provisions	0	0
4.	Other non-cash income/expenses	0	0
	Annual cash-flow	**60**	**-60**
5.	Increase/decrease in short-term accruals	-15	28
6.	Profit/Loss on divestiture of long-term accruals	0	0
7.	Increase/decrease in inventories, receivables, and other assets	-100	-283
8.	Increase/decrease in payables and other liabilities	140	-207
	Cash inflow/outflow from operating activities	**85**	**-522**
9.	Cash inflow from divestiture of intangible assets	0	0
10.	Cash outflow for investments on intangible assets	-2	-4
11.	Cash inflow from divestiture of tangible assets	0	0
12.	Cash outflow for investments on tangible assets	-6	-16
13.	Cash inflow from divestiture of financial assets	0	0
14.	Cash outflow for investments on financial assets	0	0
	Cash inflow/outflow from investment activities	**-8**	**-20**
15.	Cash inflow from shareholders	0	0
16.	Cash outflow to shareholders	0	0
17.	Cash inflow from raising of bank loans	0	0
18.	Cash outflow for repayment of bank loans	0	0
	Cash inflow/outflow from financing activities	**0**	**0**
19.	Net change in cash fands	77	-542
20.	Cash fands at beginning of period	398	940
21.	Cash fands at end of period	475	398

Composition of cash funds:	31.03.2018	31.03.2017
	€ '000	€ '000
Cash at bank and in hand	475	398
Current liabilities to banks	0	0
	475	**398**

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. Fixed liquidity (2nd grade liquidity)

Definition: liquid fands + short-term receivables

Purpose: To evaluate the degree to which short-term liabilities are covered by current assets that are readily convertible into cash

Financial year	**31.03.2018**	**31.03.2017**
%	121,7	128,3

2.3 Development of results of operations

a. Income overview

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

	2017/2018	**2016/2017**
	€ '000	**€ '000**
Revenue	7.862	7.737
Change in inventories	25	-4
Gross revenue for the period	**7.887**	**7.733**
Cost of goods	-2.487	-2.578
Gross profit	**5.400**	**5.155**
Other operating income	226	222
Employee costs	-3.896	-3.903
Other operating expenses	-1.674	-1.533
Other taxes	-13	-20
EBITDA	**43**	**-79**
Depreciations on tangible assets	-18	-24
EBIT / Operation result	**25**	**-103**
Interest income	3	0
Interest expenses	0	0
Financial result	**3**	**0**
EBT	**28**	**-103**
Profits tax	**14**	**19**
Annual result	**42**	**-84**

b. Return on equity

Definition: annual result + income taxes

Purpose: To evaluate the interest rate on capital provided by the shareholders

Financial year	**2017/2018**	**2016/2017**
%	3,9	-15,4

c. Return on assets

Definition: annual result + income taxes + interest expenses

Purpose: To evaluate the interest of the capital investment by the Company

Financial year	**2017/2018**	**2016/2017**
%	1,1	-4,5

d. Net profit ratio

Definition: Operating results
Revenue

Purpose: To evaluate the profit ratio on the transaction volume

Financial year	**2017/2018**	**2016/2017**
%	0,3	-1,3

e. Ratio of personnel expenses

Definition: Personnel expenses
Total operating performance

Purpose: To analyse the staff assignment

Financial year	**2017/2018**	**2016/2017**
%	49,4	50,5

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 annual financial statement for the financial year 2017/2018 of KPIT Solutions GmbH, showing a profit for the financial year of € 41.732,77 with the Certificate of Completion:

German tax adviser's report regarding the preparation

"As per our mandate, we have prepared these annual financial statements - consisting of the balance sheet, income statement and annex – of KPIT Solutions GmbH for the fiscal year starting April 1, 2017 to March 31, 2018 in compliance with the requirements of the German commercial law and the supplemental provisions of the articles of association. The statements were prepared on basis of the accounting books maintained by us and other records, books and inventory records additionally submitted to us and the information handed to us – which we did not audit as per our mandate. The Company's legal representatives are responsible for 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 mandate in compliance with the pronouncement of the German Federal Chamber of Tax Advisers *(Bandessteuerberaterkammer)* 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, April 17, 2018
44/fr
BPP Becker Patzelt Pollmann and Partners mbB
Auditors | Tax Advisors | Lawyers

(Steffen Stötzel)
German tax adviser

(Frank Wehrmann)
German tax adviser / Auditor

Balance Sheet 31 MARCH 2018

ASSETS			31-03-2018	31-03-2017
			€	€
A.	**Fixed assets**			
	I.	Intangible assets		
	1	EDP Software	11,224.00	14,735.00
	II.	Tangible assets		
	1	Other installations, furniture and office equipment	20,979.00	27,437.00
B.	**Circulating capital**			
	I.	Inventories		
	1.	Unfinished products, work in progress	39,000.00	13,500.00
	II.	Receivables and other assets		
	1	Trade debtors	1,514,653.57	1,565,094.53
	2	Other assets	143,099.10	125,953.19
			1,657,752.67	1,691,047.72
III.	Cash in hand, bank balances		474,997.92	398,081.52
C	**Accruals and prepaid expenses**		262,374.12	154,714.39
			2,466,327.71	**2,299,515.63**

EQUITY AND LIABILITIES			31-03-2018	31-03-2017
			€	€
A.	**Shareholders' equity**			
	I.	Share capital	25,000.00	25,000.00
	II.	Retained earnings carried forward	646,357.85	730,706.66
	III.	Net profit/loss for the year	41,732.77	-84,348.81
B.	**Accruals**			
	1	Tax accruals	85,015.74	85,016.76
	2	Other accruals	390,941.66	405,777.18
			475,957.40	490,793.94
C.	**Payables**			
	1.	Pre-Payments received	12,400.00	36,707.14
	2.	Trade payables	463,486.76	371,574.83
	3.	Other liabilities	114,476.67	166,818.12
			590,363.43	575,100.09
D.	**Accruals and prepaid expenses**		686,916.26	562,263.75
			2,466,327.71	2,299,515.63

Profit and Loss Account for the business year from 01st April 2017 to 31st March 2018

EQUITY AND LIABILITIES			2017/2018	2016/2017
			€	€
1.	**Revenue**		7,862,222.35	7,736,747.39
2.	Increase in stock of finished and unfinished products		25,500.00	-3,750.00
3.	Other business income		225,899.83	221,887.77
4.	Material cost			
	a)	Expenses for raw materials and supplies, and purchased goods	-2,371,839.87	-2,302,140.57
	b)	Expenses for third party services	-114,822.27	-275,647.59
			-2,486,662.14	**-2,577,788.16**
5.	Personnel costs			
	a)	Wages and salaries	-3,350,944.56	-3,384,491.98
	b)	Expenses for social insurance, pension schemes and other support payments	-545,432.98	-518,804.55
			-3,896,377.54	**-3,903,296.53**
6.	Depreciations			
	a)	on tangible and intangible fixed assets	-17,794.62	-23,923.61
7.	Other operating costs		-1,673,890.01	-1,532,949.67
8.	Other interests or similar income		2,600.83	0.00
9.	Interests or similar charges		-93.00	-308.00
10.	Taxes on income and profit		13,675.02	18,722.41
11.	Profit after tax		55,080.72	-64,658.40
12.	Other taxes		-13,347.95	-19,690.41
13.	**Net profit/loss for the year**		**41,732.77**	**-84,348.81**

Notes for the financial year 2017/2018

I. General Information

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.

II. Details on the content and layout of the annual accounts

The Company is a small limited liability corporation as defined by HGB § 267. The balance sheet as of March 31, 2018, and the income statement for the period of April 1, 2017, until March 31, 2018, has been executed using the structuring schemes for big capital companies and under consideration of the additional company agreement rules.

The annual financial statement has been generated based on the rules and regulations of the Accounting Directives Implementation Act (BilRUG).

III. Details on the accounting policies

1. The annual financial statement has been executed under the going concern assumption.
2. The annual financial statement at hand has essentially been prepared maintaining the structure and valuation principles of the German Commercial Code (HGB) as used in the prior year financial statement.
3. The tangible and intangible fixed assets are entered in the balance sheet less scheduled depreciations. The tax regulations about low value assets also apply within the statutory annual report since the assets are of minor importance.
4. The unfinished goods and services are rated as production costs. Direct costs based on hours worked plus overheads eligible for capitalization, excluding administrative overheads, are taken into account. The principle of the lower of cost or market applies.
5. Receivables, other assets, as well as cash assets, are measured at initial cost.

   The risks associated with the trade receivables have been - where required - accomodated for by forming specific valuation allowances.
6. Deferred expenses and accrued income relate to expenses prior to the balance sheet date which represent an expense for a certain time after that date. These are included at their nominal value and the deffered revenue will be released linear in respect of the remaining terms.
7. The shareholders' equity is included at its nominal value.
8. The evaluation of the tax provisions was carried out on basis of the relevant tax regulations.
9. The accruals include all potential risks and uncertain liabilities and are measured at their settlement amounts, based on the required prudent commercial assessment (§ 253 Abs. 1 HGB).
10. The liabilities are recorded at their settlement value.
11. The deferred income refers to inflows before the balance sheet date, which are income for a certain time after that date. It is balanced with its nominal value and the deffered revenue will be released linear in respect oft he remaining terms.

III. Explaination on the balance sheet

1. Concerning to the fixed asset the following assets analysis has been generated.

		Asset Cost / Cost of Conversion					Depreciation					Appreciations	Book values	
		As of 01-04-2017	Inflow	Outflow	Reclassifications	As of 31.03.2018	As of 01.04.2017	Inflow	Outflow	Reclassifications	As of 31.03.2018	Financial year	As of 31.03.2018	As of 31.03.2017
		€	€	€	€	€	€	€	€	€	€	€	€	€
A.	Fixed assets													
I.	Intangible assets													
1	EDP Software	28,740.63	1,980.00	0.00	0.00	30,720.63	14,005.63	5,491.00	0.00	0.00	19,496.63	0.00	11,224.00	14,735.00
	Total intangible assets	**28,740.63**	**1,980.00**	**0.00**	**0.00**	**30,720.63**	**14,005.63**	**5,491.00**	**0.00**	**0.00**	**19,496.63**	**0.00**	**11,224.00**	**14,735.00**
II.	Tangible assets													
1	Other installations, furniture and office equipment	77,686.46	5,845.62	0.00	0.00	83,532.08	50,249.46	12,303.62	0.00	0.00	62,553.08	0.00	20,979.00	27,437.00
	Total of tangible assets	**77,686.46**	**5,845.62**	**0.00**	**0.00**	**83,532.08**	**50,249.46**	**12,303.62**	**0.00**	**0.00**	**62,553.08**	**0.00**	**20,979.00**	**27,437.00**
	Total of fixed assets	**106,427.09**	**7,825.62**	**0.00**	**0.00**	**114,252.71**	**64,255.09**	**17,794.62**	**0.00**	**0.00**	**82,049.71**	**0.00**	**32,203.00**	**42,172.00**

2. Receivables and Other Vermögensgegenstände sind - mit Ausnahme von Mietkautionen in Höhe von T€ 27 (Vorjahr: T€ 27) innerhalb eines Jahres fällig.
3. Zu den Restlaufzeiten and zur Besicherung der liabilities zum 31.03.2018 see folgenden Verbindlichkeitenspiegel:

Balance sheet itemas of 31.03.2018	**Total amount**	**Within 1 year**	**Of which due**	
			1 to 5 years	**Over 5 years**
	€ '000	€ '000	€ '000	€ '000
Payments received	12	12	-	-
Previous year:	*37*	*37*	-	-
Trade payables	464	464	-	-
Previous year:	*372*	*372*	-	-
Other liabilities	114	113	-	1
Previous year:	*166*	*165*	-	*1*
- thereof tax	100	100	-	-
Previous year:	*153*	*153*	-	-
- thereof within the scope of social security	11	11	-	-
Previous year:	*13*	*13*	-	-
Total	**590**	**589**	**-**	**1**
Previous year:	***575***	***574***	**-**	***1***

The trade payables include amounts owed to:

Shareholders in the amount of € 160'000 (Previous year: € 208'000).

V. Explanation of income statement

1. The income statement is structured using the total expenditure format (HGB § 275 (2))
2. The position Other operating income and expenses" contains income caused by foreign currency convertion in the amount of € 0'000 (Previous year: € 5'000).

V. Other Information

1. The amount of average annual employees are composed of (the calculation was carried out according to HGB § 267 (5):

	Amount 2017/2018
Managing directors	2
Commercial staff	44
Part time workers	2
	48

2. The management within the fiscal year 2017/2018 has been carried out by the managing directors Mr. Ulrich Heinzel and Mrs. Sabine Schmidtke.
3. The other financial responsibilities in terms of HGB § 285 No. 3a that are not shown in the balance sheet and are not to be stated according to HGB § 251, amount to approximately € 515'000. The amount consists of € 155'000 for rental liabilities for the company buildings as well as € 360'000 for leasing liabilities.

Bielefeld, April 18, 2018

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

BREAKDOWN AND EXPLANATION OF THE ITEMS WITHIN THE ANNUAL FINANCIAL STATEMENT AS OF MARCH 31, 2018

I. Explanation of the balance sheet as of March 31, 2018

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**		11.224,00
	31.03.2017		14.735,00
	For development see statement of fixed assets		
	Composition of item:	**31.03.2018**	**31.03.2017**
	EDP Software	11.224,00	14.735,00
		11.224,00	**14.735,00**
II.	**Tangible assets**		
1	**Other installations, office furniture and equipment**		20.979,00
	31.03.2017		27.437,00
	Development see statement of fixed assets		
	Composition of item:	**31.03.2018**	**31.03.2017**
	Other means of transport	1,00	1,00
	Equipment	4.840,00	9.146,00
	Office Equipment	6.872,00	9.402,00
	Office furniture	1.955,00	2.699,00
	Installations in third party properties	3.870,00	4.760,00
	Economic goods, collective item	3.441,00	1.429,00
		20.979,00	**27.437,00**
B.	**Current assets**		
I.	**Inventories**		
1.	**Unfinished products, unfinished services**		39.000,00
	31.03.2017		13.500,00
	Composition of item:	**31.03.2018**	**31.03.2017**
	Unfinished services	39.000,00	13.500,00
		39.000,00	**13.500,00**
II.	**Receivables and other assets**		
1	**Trade debtors**		1.514.653,57
	31.03.2017		1.565.094,53
2	**Other assets**		143.099,10
	31.03.2017		125.953,19
	Composition of item:	**31.03.2018**	**31.03.2017**
	Other receivables	0,00	21.704,67
	Deposits	27.104,07	27.103,00
	Receivables from employees of salary and wages	12.677,34	0,00
	Receivables of trade tax overpay	0,00	4.052,00
	Corporation tax refunds	69.096,90	45.251,65
	Creditors with debit accounts	34.220,79	27.841,87
		143.099,10	**125.953,19**
III.	**Cash in hand and bank balances**		474.997,92
	31.03.2017		398.081,52
	Composition of item:	**31.03.2018**	**31.03.2017**
	Cash on hand Bielefeld	526,41	121,68
	Cash on hand Nürnberg	91,16	100,00
	HypoVereinsbank # 15433962	474.380,35	397.859,84
		474.997,92	**398.081,52**

		Amount in €	Amount in €
C.	**Deferred income**		262.374,12
	31.03.2017		154.714,39
A.	**Shareholders' equity**		
I.	**Share capital**		25.000,00
	31.03.2016		25.000,00
II.	**Profit brought forward**		646.357,85
	31.03.2017		730.706,66
	Development:	**31.03.2018**	**31.03.2017**
	As of 01.04.	730.706,66	410.046,93
	Net income of previous year	-84.348,81	320.659,73
	As of 31.03.	646.357,85	730.706,66
III.	**Net profit/loss for the yea**		41.732,77
	31.03.2017		-84.348,81
B.	**Provisions**		
1.	**Tax provisions**		85.015,74
	31.03.2017		85.016,76
	Composition of item:	**31.03.2018**	**31.03.2017**
	Trade tax provisions	44.498,00	44.498,00
	Corporate tax provisions	40.517,74	40.518,76
		85.015,74	**85.016,76**
2	**Other provisions**		390.941,66
	31.03.2017		405.777,18
	Composition of item:	**31.03.2018**	**31.03.2017**
	Provisions for personnel costs	193.000,00	220.145,30
	Other provisions	76.906,03	74.320,00
	Provisions holidays (salary)	75.235,63	66.611,88
	Provisions for warranties	34.500,00	33.400,00
	Provisions for retention of records	3.300,00	3.300,00
	Provisions for close-out costs	8.000,00	8.000,00
		390.941,66	**405.777,18**
C.	**Liabilities**		
1	**Received down payments**		12.400,00
	31.03.2017		36.707,14
2	**Trade creditors**		463.486,76
	31.03.2017		371.574,83
	acc. to creditor balance list		
3	**Other liabilities**		114.476,67
	31.03.2017		166.818,12
	Composition of item:	**31.03.2018**	**31.03.2017**
	Debtors with credit balances	2.487,10	0,00
	Tax office/value-added tax	46.818,60	93.658,98
	Transit items	329,34	0,00
	Received deposits	850,00	850,00
	Wage income and church tax	53.342,55	59.585,34
	Social security	10.649,08	12.723,80
		114.476,67	**166.818,12**
D.	**Deferred income**		686.916,26
	31.03.2017		562.263,75

II. Explanations tot he income statement as of April 1, 2017, until März 31, 2018

		Amount in €	Amount in €
1.	**Revenues**		7.862.222,35
	01.04.2016 - 31.03.2017		7.736.747,39
	Composition of item:	**2017/2018**	**2016/2017**
	Revenues release of accruals and deferrals	0,00	32.774,12
	Income from services provided § 13b UStG	151.443,63	56.878,76
	Non-taxable revenues in thrid countries	1.650,00	101.814,75
	KPIT US Revenue	29.044,08	18.872,20
	Revenue 19 % VAT maintenance	2.338.117,58	2.079.681,96
	Revenue 19 % VAT service	4.439.330,22	4.285.285,75
	Revenue 19 % VAT licences	865.497,65	1.128.035,30
	Cash disounts granted 19 % VAT	-2.297,67	-5.171,45
	Real estate income	33.936,863	8.576,00
	Tax-free income	5.500,00	0,00
		7.862.222,35	**7.736.747,39**
2	**Increase in inventory of finished and unfinished products**		25.500,00
	01.04.2016 - 31.03.2017		-3.750,00
3	**Other operating income**		225.899,83
	01.04.2016 - 31.03.2017		221.887,77
	Composition of item:	**2017/2018**	**2016/2017**
	Out-of-period income	0,64	0,00
	Income from currency convertion	0,00	4.501,63
	Income from reversal of provisions	341,25	0,00
	Insurance recoveries	0,00	20.264,41
	Benefits in kind	225.557,94	197.121,73
		225.899,83	**221.887,77**
4	**Material costs**		
a)	**Costs for consumables, supplies and goods**		
	01.04.2016 - 31.03.2017		2.371.839,87
			2.302.140,57
	Composition of item:	**2017/2018**	**2016/2017**
	Wartung/Lizenzen	2.371.839,87	2.302.140,57
		2.371.839,87	**2.302.140,57**
b)	**Expenses for procured services**		114.822,27
	01.04.2016 - 31.03.2017		275.647,59
	Composition of item:	**2017/2018**	**2016/2017**
	Third-party services	114.822,27	275.647,59
		114.822,27	**275.647,59**
5	**Personnel costs**		
a)	**Salary and wages**		3.350.944,56
	01.04.2016 - 31.03.2017		3.384.491,98
	Composition of item:	**2017/2018**	**2016/2017**
	Salary and wages	2.518.862,97	2.341.857,69
	Intercompany Personnel Costs	0,00	111.641,45
	Bonuses/commissions paid	126.295,50	276.996,40
	Sales commissions	185.457,15	201.553,13
	Managing director salaries	269.908,00	218.908,00
	Voluntary social benefits	268.414,00	228.576,00
	Reimbursment of employer costs acc. AAG	-21.930,06	-4.250,55
	Capital forming benefits	2.448,00	3.094,00
	Milage claim residence/work place	0,00	5.998,86
	Other personnel costs	1.489,00	117,00

		3.350.944,56	**3.384.491,98**
		Amount in €	Amount in €
b)	**Costs for social security, pensions and other benefits**		545.432,98
	01.04.2016 - 31.03.2017 € 518.804,55		
	Composition of item:	**2017/2018**	**2016/2017**
	Statutory social security costs	514.710,90	482.637,10
	Statutory accident insurance scheme	7.494,19	9.121,85
	Voluntary social security costs	12.461,09	12.269,52
	Pensions	6.218,13	8.084,20
	Flat rate of tax for insurances	4.548,67	6.691,88
		545.432,98	**518.804,55**
6	**Depreciation**		
a)	**on Intangible assets of fixed and tangible assets**		17.794,62
	01.04.2016 - 31.03.2017		23.923,61
	Composition and development: see statement of fixed assets		
7.	**Other operating costs**		1.673.890,01
	01.04.2016 - 31.03.2017		1.532.949,67
	Composition of the item:	**2017/2018**	**2016/2017**
	Facility costs	181.247,22	175.731,51
	Repairs and mantenance	27.860,32	11.660,89
	Insurances, contributions and levies	18.371,01	17.546,28
	Vehicle costs	595.236,34	535.654,19
	Advertising and travel costs	552.507,19	548.688,69
	Incidental distribution expenses	1.100,00	7.606,30
	Other distribution expenses	297.567,93	234.476,81
	Losses arising from the disposal of		
	fixed assetss	0,00	25,00
	Other expenses incurred during ordinary		
	business activities	0,00	1.560,00
		1.673.890,01	**1.532.949,67**
	Costs of premises	**2017/2018**	**2016/2017**
	Costs of premises	763,81	523,79
	Rental, fixed assets	157.446,73	154.906,13
	Gas, power, water	10.394,73	10.765,07
	Cleaning	8.695,45	8.952,04
	Mantenance of company premises	3.946,50	584,48
		181.247,22	**175.731,51**
	Repairs and maintenance	**2017/2018**	**2016/2017**
	Repairs/maintenance on office equipment	865,42	1.006,26
	Maintenance for Hard- and Software	19.964,90	10.654,63
	Other repairs and maintenances	7.030,00	0,00
		27.860,32	**11.660,89**
	Insurance, contributions and fees	**2017/2018**	**2016/2017**
	Disables equalization tax	6.600,00	5.280,00
	Insurances	8.628,95	8.265,32
	Contributions	3.142,06	4.000,96
		18.371,01	**17.546,28**
	Vehicle expenses	**2017/2018**	**2016/2017**
	Vehicle expenses	595.236,34	535.654,19
		595.236,34	**535.654,19**

	Amount in €	Amount in €
Advertising and travel expenses	**2017/2018**	**2016/2017**
Advertising costs	101.593,97	141.991,14
Hospitality costs	8.426,79	8.409,93
In-house hospitality	4.435,30	1.451,89
Conference costs	2.995,00	13.096,56
Non-decuctable hospitality costs	3.611,48	3.604,25
Employee travel expenses	431.444,65	380.134,92
	552.507,19	**548.688,69**
Incidental distribution expenses	**2017/2018**	**2016/2017**
Sales commissions	0,00	5.406,30
Warranty expenses	1.100,00	2.200,00
	1.100,00	**7.606,30**
Other operating expenses	**2017/2018**	**2016/2017**
Currency convertion losses	0,00	112,46
Tax-deductable administrative fines	-4,50	18,00
Third-party travel expenses	1.178,85	0,00
Operating lease of technical installations	119.180,65	90.865,63
Other operational charges	4.617,50	2.265,55
Postage	2.243,87	4.354,01
Telephone	74.972,84	82.836,79
Telefax and internet costs	1.287,57	1.006,29
Office supplies	22.171,68	12.322,72
Magazines, books (specialist literature)	2.986,52	2.513,27
Training costs	1.426,00	2.317,25
Legal consulting expenses	39.226,16	19.224,43
Bookkeeping expenses	18.368,98	9.146,89
Closing and auditing costs	8.000,00	5.923,00
Incidental costs of monetary transactions	1.376,01	1.570,52
Other operational needs	535,80	0,00
	297.567,93	**234.476,81**
Losses from fixed asset disposals	**2017/2018**	**2016/2017**
Disposal of tangible assets residual book value	0,00	25,00
	0,00	**25,00**
Other expenses incurred during ordinary business activities	**2017/2018**	**2016/2017**
Donations	0,00	1.560,00
	0,00	**1.560,00**

		Amount in €	Amount in €
8	**Other interests receivable and simlar income**		2.600,83
	01.04.2016 - 31.03.2017		0,00
	Composition of item:	**2017/2018**	**2016/2017**
	Other interests and similar income	2.483,83	0,00
	Zinserträge Gewerbesteuer	117,00	0,00
		2.600,83	**0,00**
9	**Interests payable and similar expenses**		93,00
	01.04.2016 - 31.03.2017		308,00
	Interest expenses for short-term liabilities		
10	**Taxes on profit**		-13.675,02
	01.04.2016 - 31.03.2017		-18.722,41
	Composition of item:	**2017/2018**	**2016/2017**
	Corporate tax	4.749,85	0,00
	Solidarity surcharge	261,25	0,00
	Corporate tax for previous years	-17.744,02	0,00
	Corporate tax reimbursements for previous years	0,00	-17.884,76
	Solidarity surcharge for previous years	-973,75	-837,65
	Capital gains tax 25%	0,15	0,00
	Trade tax for previous years	31,50	0,0
		-13.675,02	**-18.722,41**
11	**Profit after tax**		55.080,72
	01.04.2016 - 31.03.2017		-64.658,40
12	**Other taxes**		13.347,95
	01.04.2016 - 31.03.2017		19.690,41
		2017/2018	**2016/2017**
	Composition of item:		
	Tax arrears for previous years	2.712,18	11.466,05
	Vehicle tax	10.635,77	8.224,36
		13.347,95	**19.690,41**
13	**Annual net profit/loss**		41.732,77
	01.04.2016 - 31.03.2017		-84.348,81

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 financial year ended March 31, 2018.

Financial Results

Particulars	2017-18 Euro (Million)	Period from December 1, 2016 to March 31, 2017* Euro (Million)
Total Income	20.82	4.26
Net Profit / (Loss) for the period	0.80	0.02

*75% shares of the Company were acquired by KPIT Technologies GmbH effective November 30, 2016 and therefore, figures for the previous year are provided from December 1, 2016 to March 31, 2017.

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

Markus Waidelich
Managing Director

Munich
April 24, 2018

Balance Sheet

(Amount in €)

		As at 31 March 2018	
	ASSETS		
A.	**Fixed assets**		
I.	**Intangible assets**		
1.	Concessions, industrial and similar rights and licenses in such rights and assets	99,770.00	
II.	**Tangible assets**		
1.	Land, land rights and bulidings including buildings on third party land	226,544.00	
2.	Technical equipment and machines	177,576.00	
3.	Other equipment, operating and office equipment	583,336.00	
		987,456.00	
III.	**Non-current financial assets**		
1.	Long term investments	5,000.00	
			1,092,226.00
B.	**Current Assets**		
I.	**Inventories**		
1.	Work in process	372,600.00	
2.	Payments on account	190,298.00	
		562,898.00	
II.	**Receivables and other assets**		
1.	Trade receivables	4,275,942.39	
2.	Receivables from affiliated companies	164,784.72	
3.	Other assets	353,740.23	
		4,794,467.34	
III.	**Cash in hand and bank balance**	411,167.23	
			5,768,532.57
C.	**Prepaid expenses**		**41,554.05**
	TOTAL ASSETS		**6,902,312.62**

(Amount in €)

		As at 31 March 2018	
	EQUITY AND LIABILITIES		
A	**Equity**		
I.	**Subscribed Capital**	25,564.59	
II.	**Capital reserve**	0.00	
III.	**Profit carried forward**	948,250.95	
IV.	**Net profit for the year**	797,797.14	
			1,771,612.68
B.	**Provisions**		
1.	Tax provisions	0.00	
2.	Other provisions	2,027,032.84	
			2,027,032.84
C.	**Liablities**		
1.	Trade payables	831,691.62	
2.	Liabilities to affiliated companies	1,688,409.01	
3.	Other liabilities	583,566.47	**3,103,667.10**
	TOTAL EQUITY AND LIABILITIES		**6,902,312.62**

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

Markus Waidelich
Managing Director

Pankaj Maheshwar Sathe
Director

Oliver Mangold
Director

Place: Munich
Date: 24 April, 2018

Statement of Profit and Loss

for the period from 01 April 2017 to 31 March 2018

(Amount in €)

			For the period from 01 April 2017 to 31 March 2018	
1.	Revenues		20,419,226.92	
2.	Increase or decrease in work in process		-131,297.40	
				20,287,929.52
3.	Other operating income			536,640.84
4.	Cost of materials			
	a)	Cost of raw materials, supplies and of purchased merchandise	-249,308.64	
	b)	Cost of purchased services	-8,517,772.11	
				-8,767,080.75
5.	Staff costs			
	a)	Wages and salaries	-7,794,000.89	
	b)	Social security and pension costs	-1,162,860.73	
				-8,956,861.62
6.	Depreciation and amortisation			
	a)	Amortisation of intangible assets and depreciation of property, plant and equipment	-290,299.67	-290,299.67

(Amount in €)

		For the period from 01 April 2017 to 31 March 2018
7.	Other operating expenses	-1,763,376.03
8.	Other interest and similar income	6,715.05
9.	Interest and similar expenses	-25,380.38
10.	Taxes on income	-230,489.82
11.	**Earnings after taxes**	**797,797.14**
12.	Other taxes	0.00
13.	**Net profit for the year**	**797,797.14**

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

Markus Waidelich
Managing Director

Pankaj Maheshwar Sathe
Director

Oliver Mangold
Director

Place: Munich
Date: 24 April, 2018

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 Seventeenth report of the Directors on the operations of the Company together with the accounts for the financial year ended March 31, 2018.

Financial Results

Particulars	2017-18 USD (Million)	2016-17 USD (Million)
Total Income	231.47	196.67
Net Profit / (Loss) for the period	7.85	(1.95)

Operations

During the year under review, income of the Company increased by 17.69% and net profit has significantly increased by 502.56%.

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
May 23, 2018

Kishor Patil
Chairman

Balance Sheet

as at 31 March 2018

(Amount in USD)

	Note	31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2A	752,425	937,726
Intangible fixed assets	2B	226,880	286,340
Intangible assets under development		12,823	41,772
Financial assets			
Investments	3	39,568,832	39,568,832
Loans	4	56,577	58,377
Income tax assets (net)		1,606,884	2,295,359
Deferred tax assets	5	839,915	1,516,090
Other non-current assets	6	12,775	17,071
		43,077,111	**44,721,567**
Current assets			
Financial assets			
Trade receivables	7	40,694,421	39,571,916
Cash and cash equivalents	8	15,020,827	17,103,234
Loans	9	16,171,838	16,147,287
Unbilled revenue		7,182,348	3,584,940
Other financial assets	10	867	-
Other current assets	11	910,653	997,271
		79,980,954	**77,404,648**
TOTAL		**123,058,065**	**122,126,215**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	55,709,854	55,709,854
Other equity		(2,343,228)	(10,191,320)
		53,366,626	**45,518,534**

(Amount in USD)

	Note	31 March 2018	31 March 2017
Non-current liabilities			
Financial liabilities			
Borrowings	13	-	1,024
Provisions	14	3,172,916	2,254,818
		3,172,916	**2,255,842**
Current liabilities			
Financial liabilities			
Short-term borrowings	15	4,212,487	4,209,605
Trade payables	16	45,571,286	45,239,804
Other	17	14,220,921	15,227,795
Other current liabilities	18	1,859,347	2,088,058
Provisions	19	654,482	614,133
Current income tax liabilities (net)		-	6,972,444
		66,518,523	**74,351,839**
TOTAL		**123,058,065**	**122,126,215**
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 KPIT Infosystems Incorporated

Director **Director**

Place: Pune
Date: 23 May 2018

Statement of Profit and Loss

for the year ended on 31 March 2018

(Amount in USD)

	Note	31 March 2018	31 March 2017
Revenue from operations			
Sale of services	20	231,189,598	196,461,209
Other income	21	275,707	208,464
Total income		**231,465,305**	**196,669,673**
Expenses			
Employee benefits expense	22	92,404,477	81,446,349
Finance costs	23	133,818	137,450
Depreciation and amortization	2	486,161	416,074
Other expenses	24	127,069,223	113,377,822
Total expenses		**220,093,679**	**195,377,695**
Profit before tax		**11,371,626**	**1,291,978**
Tax expenses			
Current tax		3,179,830	2,772,763
Deferred tax benefit		343,704	471,468
Total tax expense		**3,523,534**	**3,244,231**
Profit for the year		**7,848,092**	**(1,952,253)**
Other comprehensive income		-	-
Total comprehensive income		**7,848,092**	**(1,952,253)**
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 KPIT Infosystems Incorporated

Director **Director**

Place: Pune
Date: 23 May 2018

Statement of Cash Flow

for the year ended on 31 March 2018

(Amount in USD)

PARTICULARS	31 March 2018	31 March 2017
A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period	7,848,092	(1,952,253)
Adjustments for		
Income tax expense	3,523,534	3,244,231
(Profit) / Loss on sale of fixed assets (net)	2,549	17,517
Depreciation / Amortization	486,161	416,074
Interest expense	133,818	137,450
Interest income	(252,757)	(179,789)
Bad debts written off	(291,993)	601,114
Provision for doubtful debts, unbilled revenue and advances (net)	467,285	(746,573)
Unrealised foreign exchange (Gain) / Loss	2,835	(7,430)
Operating Profit before working capital changes	11,919,524	1,530,341
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(4,891,206)	(5,992,398)
Loans, other financials assets and other assets	87,096	(140,854)
Trade Payables	324,649	15,132,660
Other financial liabilities, other liabilities and provisions	3,638,138	750,596
Cash generated from operations	11,078,201	11,280,345
Taxes Paid	(9,463,799)	(521,350)
Net cash from operating activities (A)	**1,614,402**	**10,758,995**
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(227,556)	(520,281)
Loan (given to) / repaid by related parties	(5,773)	1,496,414
Investment in Equity Shares of Subsidiaries	-	(905,000)
Interest received	238,730	232,167
Net Cash from /(used in) investing activities (B)	**5,401**	**303,300**
C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Working Capital loan (Net)	12,487	4,200,000
Loan taken / (repayment) from bank	(1,024)	(4,259,864)
Loan (given to) / repaid by related parties	(3,600,000)	(1,300,000)
Interest and finance charges	(113,673)	(558,019)
Net cash from /(used in) financing activities (C)	**(3,702,210)**	**(1,917,883)**
Net Increase / (decrease) in cash and cash equivalents (A + B + C)	**(2,082,407)**	**9,144,412**
Cash & cash equivalents at close of the year (refer note 1 below)	15,020,827	17,103,234
Cash & cash equivalents at beginning of the year (refer note 1 below)	17,103,234	7,958,822
Cash surplus / (deficit) for the year	**(2,082,407)**	**9,144,412**

Note 1:	31 March 2018	31 March 2017
Cash and cash equivalents include:		
Cash on hand	985	849
Cheques on hand	339,698	922,471
Balance with banks		
- In current accounts	14,680,144	16,179,914
Total Cash and cash equivalents	**15,020,827**	**17,103,234**
Cash and cash equivalents at the end of the year	**15,020,827**	**17,103,234**

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: 23 May 2018

Statement of changes in equity

(Amount in USD)

A	Equity share capital	Amount
	Balance as at 1 April 2016	**55,709,854**
	Changes in equity share capital during 2016-17	-
	Balance as at 31 March 2017	**55,709,854**
	Changes in equity share capital during 2017-18	-
	Balance as at 31 March 2018	**55,709,854**

B Other equity

	Reserves & surplus			Total
	Capital Reserve	General reserve	Retained earnings	
Balance as on 01 April 2016	**31,780**	**(33,965,293)**	**25,694,446**	**(8,239,067)**
Profit for the year	-	-	(1,952,253)	(1,952,253)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(1,952,253)	(1,952,253)
Balance as on 31 March 2017	**31,780**	**(33,965,293)**	**23,742,193**	**(10,191,320)**
Balance as on 01 April 2017	31,780	(33,965,293)	23,742,193	(10,191,320)
Profit for the year	-	-	7,848,092	7,848,092
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	7,848,092	7,848,092
Balance as on 31 March 2018	**31,780**	**(33,965,293)**	**31,590,285**	**(2,343,228)**

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

Director **Director**

Place: Pune
Date: 23 May 2018

Notes forming part of the financial statements

for the year ended on 31 March 2018

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 US Dollars ("USD"), unless otherwise stated.

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 31 March 2018.

2A Property, plant and equipment

Changes in the carrying amount of property, plant and equipment

(Amount in USD)

	Plant and equipment	Office Equipment	Furniture and Fixtures	Leasehold improvements	Total
Gross carrying amount as at 1 April 2016	**1,136,512**	**101,478**	**459,508**	**199,225**	**1,896,723**
Additions	257,522	5,328	4,258	11,621	278,729
Disposal/Retirements/Derecognition	39,885	-	39,759	27,838	107,482
Gross carrying amount as at 31 March 2017	**1,354,149**	**106,806**	**424,007**	**183,008**	**2,067,970**
Accumulated depreciation as at 1 April 2016	**523,841**	**38,329**	**218,154**	**93,985**	**874,309**
Depreciation for the period	265,381	10,570	51,930	18,020	345,901
Disposal/Retirements/Derecognition	39,885	-	24,815	25,266	89,966
Accumulated depreciation as at 31 March 2017	**749,337**	**48,899**	**245,269**	**86,739**	**1,130,244**
Carrying amount as at 1 April 2016	**612,671**	**63,149**	**241,354**	**105,240**	**1,022,414**
Carrying amount as at 31 March 2017	**604,812**	**57,907**	**178,738**	**96,269**	**937,726**
Gross carrying amount as at 1 April 2017	**1,354,149**	**106,806**	**424,007**	**183,008**	**2,067,970**
Additions	164,955	5,495	10,271	-	180,721
Disposal/Retirements/Derecognition	3,946	-	-	-	3,946
Gross carrying amount as at 31 March 2018	**1,515,158**	**112,301**	**434,278**	**183,008**	**2,244,745**
Accumulated depreciation as at 1 April 2017	**749,337**	**48,899**	**245,269**	**86,739**	**1,130,244**
Depreciation for the period	286,062	10,926	47,487	18,998	363,473
Disposal/Retirements/Derecognition	1,397	-	-	-	1,397
Accumulated depreciation as at 31 March 2018	**1,034,002**	**59,825**	**292,756**	**105,737**	**1,492,320**
Carrying amount as at 1 April 2017	**604,812**	**57,907**	**178,738**	**96,269**	**937,726**
Carrying amount as at 31 March 2018	**481,156**	**52,476**	**141,522**	**77,271**	**752,425**

2B Other intangible assets

Changes in the carrying amount of other intangible assets

(Amount in USD)

	Internally Generated Product Development Cost	Other than Internally Generated Software	Total
Gross carrying amount as at 1 April 2016	**-**	**644,056**	**644,056**
Other additions	219,982	1,295	221,277
Disposal/Retirements/Derecognition	-	-	-
Gross carrying amount as at 31 March 2017	**219,982**	**645,351**	**865,333**
Accumulated depreciation as at 1 April 2016	**-**	**508,821**	**508,821**
Depreciation	-	70,172	70,172
Disposal/Retirements/Derecognition	-	-	-
Accumulated depreciation as at 31 March 2017	**-**	**578,993**	**578,993**
Carrying amount as at 1 April 2016	**-**	**135,235**	**135,235**
Carrying amount as at 31 March 2017	**219,982**	**66,358**	**286,340**
Gross carrying amount as at 1 April 2017	**219,982**	**645,351**	**865,333**
Additions	62,624	604	63,228
Disposal/Retirements/Derecognition	-	-	-
Gross carrying amount as at 31 March 2018	**282,606**	**645,955**	**928,561**
Accumulated depreciation as at 1 April 2017	**-**	**578,993**	**578,993**
Depreciation for the period	82,668	40,020	122,688
Disposal/Retirements/Derecognition	-	-	-
Accumulated depreciation as at 31 March 2018	**82,668**	**619,013**	**701,681**
Carrying amount as at 1 April 2017	**219,982**	**66,358**	**286,340**
Carrying amount as at 31 March 2018	**199,938**	**26,942**	**226,880**

(Amount in USD)

		31 March 2018	31 March 2017
3	**Non-current investments**		
	Trade Investments (Unquoted)		
	Investment in shares of Findant Inc.	342,136	342,136
	Less : Provision for diminution in value of investment	(342,136)	(342,136)
		-	-
	Investments in equity instruments of subsidiaries (at cost)		
	KPIT Technologies Solucoes EM Informatica LTDA	1,470,000	1,470,000
	(1,121,145 (Previous Year 1,121,145) Equity Shares of Brazilian Reas 1 each fully paid up)		
	Investment in shares of Sparta Consulting Inc., USA	38,098,832	38,098,832
	(1,000 (Previous Year 1,000) Shares of the common stock without par value fully paid up)		
		39,568,832	**39,568,832**

(Amount in USD)

		31 March 2018	31 March 2017
4	**Loans**		
	(Unsecured, considered good unless otherwise stated)		
	Loans and advances to related parties (Refer Note 28)		
	- Security deposits	56,577	58,377
		56,577	**58,377**

(Amount in USD)

		31 March 2018	31 March 2017
5	**Deferred tax assets**		
	Deferred tax assets		
	-Provision for depreciation	-	157,413
	-Provision for doubtful debts and advances	110,221	346,685
	-Provision for leave encashment	796,733	662,734
	-Provision for Onerous contract	2,725	(188,932)
	-Interest on loan - Intercompany	-	5,923
	-Others	53,853	557,611
		963,532	**1,541,434**
	Deferred tax liabilities		
	-Prepaid Expenses	-	25,344
	-Provision for depreciation	123,617	-
		123,617	**25,344**
	Net deferred tax asset	**839,915**	**1,516,090**

(Amount in USD)

		31 March 2018	31 March 2017
6	**Other non-current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Prepaid expenses	12,775	17,071
		12,775	**17,071**

(Amount in USD)

		31 March 2018	31 March 2017
7	**Trade receivables**		
	(Unsecured)		
	- Considered good	40,694,421	39,571,916
	- Considered doubtful	1,038,671	571,386
		41,733,092	**40,143,302**
	Less: Provision for doubtful trade receivables	1,038,671	571,386
		40,694,421	**39,571,916**

(Amount in USD)

		31 March 2018	31 March 2017
8	**Cash and bank balances**		
	Cash and cash equivalents		
	- Cash on hand	985	849
	- Cheques on hand	339,698	922,471
	Balances with banks		
	- In current accounts	14,680,144	16,179,914
		15,020,827	**17,103,234**

(Amount in USD)

		31 March 2018	31 March 2017
9	**Loans**		
	(Unsecured, considered good unless otherwise stated)		
	Loans and advances to related parties (Refer note 26)		
	- Loan to Sparta Consulting Inc., USA	16,149,219	16,136,059
	- Dues from subsidiaries	17,001	11,228
	Loans and advances to other than related parties		
	- Security deposits	5,618	-
		16,171,838	**16,147,287**

(Amount in USD)

		31 March 2018	31 March 2017
10	**Other current financials assets**		
	(Unsecured, considered good unless otherwise stated)		
	Interest accrued on Fixed Deposit	867	-
		867	**-**

(Amount in USD)

		31 March 2018	31 March 2017
11	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Employee advances	317,778	509,723
	Advance to suppliers	23,750	43,634
	Prepaid expenses	569,125	443,914
		910,653	**997,271**

(Amount in USD)

		31 March 2018	31 March 2017
12	**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	55,709,854	55,709,854
		55,709,854	**55,709,854**

		31 March 2018	31 March 2017
13	**Long term borrowings**		
	Long term maturities of finance lease obligations	-	1,024
		-	**1,024**

(Amount in USD)

		31 March 2018	31 March 2017
14	**Long term provisions**		
	Provision for employee benefits		
	- Compensated Absences	3,172,916	2,254,818
		3,172,916	**2,254,818**

(Amount in USD)

		31 March 2018	31 March 2017
15	**Short term borrowings**		
	Loans repayable on demand		
	- From banks (Secured)		
	Working capital loans from banks (secured)	4,212,487	4,209,605
		4,212,487	**4,209,605**

(Amount in USD)

		31 March 2018	31 March 2017
16	**Trade payables**		
	Trade payables	45,571,286	45,239,804
		45,571,286	**45,239,804**

(Amount in USD)

		31 March 2018	31 March 2017
17	**Other current financial liabilities**		
	Current maturities of long term debt:		
	- From KPIT Technologies Limited, India (Refer Note 26)	-	6,017,420
	- Loan from KPIT Technologies Corporation, Canada (Refer Note 26)	2,447,170	-
	- Current maturities of finance lease obligations	1,028	69,631
	Other than trade payables :		
	Accrued employee costs	3,911,963	5,710,847
	Payables in respect of fixed assets	8,941	21,497
	Payable to related parties (Refer Note 26)	7,842,873	3,391,119
	Security deposits	8,946	17,281
		14,220,921	**15,227,795**

(Amount in USD)

		31 March 2018	31 March 2017
18	**Other current liabilities**		
	Unearned revenue	1,532,294	985,196
	Statutory remittances	326,991	1,102,800
	Others	62	62
		1,859,347	**2,088,058**

(Amount in USD)

		31 March 2018	31 March 2017
19	**Short-term provisions**		
	Provision for employee benefit		
	- Compensated Absences	641,801	614,133
	Provision for Onerous Contarcts	12,681	-
		654,482	**614,133**

(Amount in USD)

		31 March 2018	31 March 2017
20	**Revenue from operations**		
	Software services	231,189,598	196,461,209
		231,189,598	**196,461,209**

(Amount in USD)

		31 March 2018	31 March 2017
21	**Other income**		
	Interest income	252,757	179,789
	Foreign exchange gain (net)	-	5,494
	Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	22,950	23,181
		275,707	**208,464**

(Amount in USD)

		31 March 2018	31 March 2017
22	**Employee benefits expense**		
	Salaries, wages and incentives	92,289,303	81,306,733
	Staff welfare expenses	115,174	139,616
		92,404,477	**81,446,349**

(Amount in USD)

		31 March 2018	31 March 2017
23	**Finance costs**		
	Interest expense	133,818	137,450
		133,818	**137,450**

(Amount in USD)

		31 March 2018	31 March 2017
24	**Other expenses**		
	Travel and overseas expenses (net)	3,799,046	4,568,904
	Transport and conveyance (net)	357,290	293,520
	Cost of service delivery (net)	98,825,843	89,513,366
	Cost of professional sub-contracting (net)	17,263,128	13,206,027
	Recruitment and training expenses	279,136	352,986
	Power and fuel	33,849	30,744
	Rent	821,317	804,012
	Repairs and maintenance		
	- plant & equipment	190,273	237,942
	- others	24,298	20,709
	Insurance	-	-
	Rates & taxes	227,125	130,315
	Communication expenses (net)	1,308,700	953,896
	Legal and professional fees	910,929	414,838
	Marketing expenses	2,111,246	2,177,682
	Loss on sale of fixed assets (net)	2,549	17,517
	Foreign exchange loss (net)	50,917	-
	Printing & stationery	13,246	31,660
	Bad debts written off	(291,993)	601,114
	Provision for doubtful debts, unbilled revenue and advances (net)	467,285	(746,573)
	Miscellaneous expenses (net)	675,039	769,163
		127,069,223	**113,377,822**

Note

Certain expenses are net of recoveries/reimbursements from customers.

25 Contingent liabilities and Commitments

The Company has no contingent liabilities and commitments as at 31 March 2018.

26 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
	MicroFuzzy Industrie-Elektronic GmbH

B. Transactions with related parties

No.	Name of related party	FY 2017-18		FY 2016-17	
		Amount of transactions during the year (USD)	Balance as on 31 March 2018 Debit/(Credit) (USD)	Amount of transactions during the year (USD)	Balance as on 31 March 2017 Debit/(Credit) (USD)
1	**KPIT Technologies Limited, India**				
	Repayment of loan (including interest)	6,121,705	NIL	2,021,657	(6,017,420)
	Interest expenses	104,285		299,811	
	Sale of Software Services	734,668	514,163	960,028	952,105
	Software service charges	76,440,947	(27,930,590)	69,593,134	(33,170,000)
	Advance received (net)	525,837	(298,786)	562,351	(2,197,891)
	Guarantee Fees	(50,000)		(50,000)	
	Reimbursement of expenses (net)	(4,193,882)		(3,938,845)	
2	**Sparta Consulting Inc. USA**				
	Sale of Software Services	5,510,279	1,215,076	5,132,637	3,583,917
	Software service charges	1,702,034	(751,900)	688,959	(210,563)
	Loan Given	NIL	16,149,219	2,500,000	16,136,059
	Repayment of loan (including interest)	386,059		4,531,979	
	Interest income	399,218		479,601	
	Advance received (net)	4,757,899	(7,060,392)	42,751	(3,636)
	Reimbursement of expenses (net)	(2,682,393)		(1,165,700)	
3	**KPIT Technologies Netherlands B.V.**				
	Software service charges	401,223	(43,576)	123,457	(28,537)
	Sale of Software Services	9,369	4,328	33,532	(350)
4	**KPIT Technologies Corporation (erstwhile SYSTIME Global Solutions Inc., Canada)**				
	Loan Received	2,400,000	(2,447,170)	NIL	NIL
	Interest expenses	47,170		NIL	
	Advance given (net)	115	406	NIL	1,136
	Reimbursement of expenses	9,793		4,839	
	Sale of Software Services	460,332	87,773	182,475	47,759
	Software service charges	550,541	(35,368)	248,726	(31,889)
5	**KPIT Technologies France (erstwhile KPIT Infosystems France)**				
	Sale of Software Services	25,781	45,962	53,077	20,182
	Software service charges	2,010	14,123	94,454	2,376
6	**SYSTIME Computer Corporation, USA**				
	Software service charges	17,043,703	(10,735,270)	16,785,550	(7,976,251)
	Sale of Software Services	3,374,435	483,388	2,936,090	239,019
	Advance received (net)	NIL	(467,339)	NIL	(1,180,612)
	Advance given (net)	5,302,383		1,960,620	
	Reimbursement of expenses (net)	(2,435,811)		(1,280,950)	

No.	Name of related party	FY 2017-18		FY 2016-17	
		Amount of transactions during the year (USD)	Balance as on 31 March 2018 Debit/(Credit) (USD)	Amount of transactions during the year (USD)	Balance as on 31 March 2017 Debit/(Credit) (USD)
7	**KPIT (Shanghai) Software Technology Co. Limited, China**				
	Sale of Software Services	1,407	32,890	30,915	31,484
	Software service charges	246,509	(37,347)	198,478	(16,378)
	Reimbursement of expenses (net)	NIL	648	648	648
8	**KPIT Infosystems ME FZE (Australia Branch)**				
	Software service charges	1,481	164	81,301	(20,961)
9	**KPIT Infosystems ME FZE (Korea Branch)**				
	Software service charges	259,237	(26,693)	138,072	(17,421)
	Sale of Software Services	NIL	NIL	7,237	7,237
10	**KPIT Technologies (UK) Ltd (erstwhile KPIT Infosystems Limited)**				
	Sale of Software Services	175,580	6,956	346,316	273,699
	Reimbursement of expenses	2,191	(408)	1,688	1,486
	Advance received (net)	4,065		NIL	
	Software service charges	1,326,949	(112,336)	1,725,334	(89,882)
11	**KPIT Infosystems Limited Filial UK, Sweden**				
	Sale of Software Services	653	653	14,675	15,580
	Software service charges	94	1,317	165	NIL
12	**KPIT Technologies Soluções EM Informática Ltda. (erstwhile KPIT Infosystem (Brasil) Servicos De Technologia e Participacoes Ltda)**				
	Software service charges	758,229	(73,138)	800,590	(66,976)
	Advance received (net)	NIL	NIL	128,366	NIL
13	**KPIT Technologies GmbH, Germany**				
	Software service charges	991,191	(216,891)	721,503	(59,026)
	Reimbursement of expenses (net)	NIL	NIL	NIL	(1,021)
	Sale of Software Services	355,474	173,958	49,334	54,867
14	**KPIT Solutions GmbH (erstwhile HD Solutions GmbH, Germany)**				
	Sale of Software Services	NIL	26,188	NIL	26,188
	Software service charges	34,190	(41,862)	20,113	(7,671)
15	**MicroFuzzy Industrie-Elektronic GmbH**				
	Sale of Software Services	87	NIL	NIL	NIL

27 Other disclosures and explanatory notes

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: 23 May 2018

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, 2018.

Financial Results

Particulars	2017-18 USD (Million)	2016-17 USD (Million)
Total Income	92.59	96.57
Net Profit / (Loss) for the year	(2.52)	7.11

Operations

During the year under review, the total income of the Company was decreased resulting into 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
Sparta Consulting Inc.

Pune
May 23, 2018

Kishor Patil
Chairman

Balance Sheet

as at 31 March 2018

(Currency - USD)

	Note	31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2A	156,800	218,542
Goodwill	2B	-	-
Other intangible assets	2C	1,209,836	501,844
Intangible assets under development		-	1,075,080
Financial assets			
Loans	3	16,198	23,865
Income tax assets (net)		97,340	4,189,666
Deferred tax assets	4	1,133,155	4,540,835
		2,613,329	**10,549,832**
Current assets			
Financial assets			
Trade receivables	5	15,242,039	26,338,447
Cash and cash equivalents	6	6,724,403	4,749,505
Loans	7	7,177,555	45,595
Unbilled revenue		3,860,043	4,898,103
Other current assets	8	305,608	391,129
		33,309,648	**36,422,779**
TOTAL		**35,922,977**	**46,972,611**

EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	5,105,200	5,105,200
Other equity		588,691	3,109,758
		5,693,891	**8,214,958**
Non-current liabilities			
Provisions	10	1,223,390	1,368,586
		1,223,390	**1,368,586**
Current liabilities			
Financial liabilities			
Trade payables	11	8,811,405	13,904,534
Other	12	19,223,248	20,318,856
Other current liabilities	13	608,633	2,715,732
Provisions	14	362,410	444,561
Current income tax liabilities (net)		-	5,384
		29,005,696	**37,389,067**
TOTAL		**35,922,977**	**46,972,611**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-22		

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

Director **Director**

Place: Pune
Date: 23 May 2018

Statement of Profit and Loss

for the year ended on 31 March 2018

(Currency - USD)

	Note	31 March 2018	31 March 2017
Revenue from operations			
Sale of services	15	92,514,007	96,486,300
Other income	16	72,222	75,093
Total income		**92,586,229**	**96,561,393**
Expenses			
Employee benefits expense	17	41,757,551	40,045,761
Finance costs	18	407,117	501,023
Depreciation and amortization	2	456,058	719,571
Other expenses	19	52,040,509	48,179,213
Total expenses		**94,661,235**	**89,445,568**
Profit/(Loss) before tax		**(2,075,006)**	**7,115,825**
Tax expense			
Current tax		(3,294,090)	-
Deferred tax (benefit)/charge		3,740,151	-
Total tax expense		**446,061**	**-**
Profit/(Loss) for the year		**(2,521,067)**	**7,115,825**
Other comprehensive income		**-**	**-**
Total comprehensive income/(loss)		**(2,521,067)**	**7,115,825**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-22		

For and on behalf of the Board of Directors of

Sparta Consulting Inc.

Director **Director**

Place: Pune
Date: 23 May 2018

Statement of Cash Flows

for the year ended on 31 March 2018

(Currency - USD)

	PARTICULARS	31 March 2018	31 March 2017
A]	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) for the period	(2,521,067)	7,115,825
	Adjustments for		
	Loss on sale of fixed assets (net)	3,627	411
	Unrealised Forex Gain/(Loss)	(3,098)	2,330
	Provision for doubtful debts	(9,735,123)	233,581
	Bad debts written off	12,390,866	629,251
	Income tax expense	446,061	-
	Depreciation / Amortization	456,058	719,571
	Interest expense	407,117	501,023
	Interest income	(816)	(39,012)
	Operating Profit before working capital changes	1,443,625	9,162,980
	Adjustments for changes in working capital:		
	Trade receivables and unbilled revenue	9,478,787	(7,584,196)
	Loans, other financials assets and other assets	(7,370,431)	117,673
	Trade Payables	(5,090,093)	3,316,947
	Other financial liabilities, other liabilities and provisions	(2,671,981)	777,991
	Cash generated from operations	(4,210,093)	5,791,395
	Taxes Paid	7,381,032	648,448
	Net cash from operating activities (A)	**3,170,939**	**6,439,843**
B]	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	(30,854)	(1,576,404)
	Proceeds from Sale of Fixed Assets	-	25
	Interest received	-	38,104
	Net Cash from /(used in) investing activities (B)	**(30,854)**	**(1,538,275)**
C]	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of Long term loan from other than banks	(750,000)	(1,500,000)
	Interest and finance charges	(415,187)	(533,326)
	Net cash from /(used in) financing activities (C)	**(1,165,187)**	**(2,033,326)**
	Net Increase / (decrease) in cash and cash equivalents (A + B+ C)	**1,974,898**	**2,868,242**
	Cash & cash equivalents at close of the year (refer note 1 below)	6,724,403	4,749,505
	Cash & cash equivalents at beginning of the year (refer note 1 below)	4,749,505	1,881,263
	Cash surplus / (deficit) for the year	**1,974,898**	**2,868,242**
Note 1:			
Cash and cash equivalents include:			
Cheques in Hand		3,018,022	-
Balance with banks			
- In current accounts		3,706,381	4,749,505
Total Cash and cash equivalents		6,724,403	4,749,505

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: 23 May 2018

Statement of Changes in Equity

for the year ended on 31 March 2018

(Currency - USD)

A	**Equity share capital**	
	Balance as at 1 April 2017	5,105,200
	Changes in equity share capital during 2016-17	-
	Balance as at 31 March 2017	**5,105,200**
	Changes in equity share capital during 2017-18	-
	Balance as at 31 March 2018	**5,105,200**

B	**Other equity**		
	Particulars	**Retained earnings**	**Total**
	Balance as on 01 April 2016	(4,006,067)	(4,006,067)
	Profit for the year	7,115,825	7,115,825
	Other comprehensive income	-	-
	Total comprehensive income for the year	7,115,825	7,115,825
	Balance as on 31 March 2017	**3,109,758**	**3,109,758**
	Balance as on 01 April 2017	3,109,758	3,109,758
	Loss for the year	(2,521,067)	(2,521,067)
	Other comprehensive income	-	-
	Total comprehensive loss for the year	(2,521,067)	(2,521,067)
	Balance as on 31 March 2018	**588,691**	**588,691**

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

Director **Director**

Place: Pune
Date: 23 May 2018

Notes forming part of the Financial Statements

for the year ended on 31 March 2018

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"").

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.

2A Property, plant and equipment

Changes in the carrying amount of property, plant and equipment

(Currency - USD)

	Leasehold improvements	Plant and Equipment	Furniture and Fixtures	Office Equipments	Total
Gross carrying amount as at 1 April 2016	**32,643**	**374,962**	**145,053**	**759,128**	**1,311,786**
Other additions	-	-	-	-	-
Disposal/retirements/derecognition	-	1,838	-	22,567	24,405
Gross carrying amount as at 31 March 2017	**32,643**	**373,124**	**145,053**	**736,561**	**1,287,381**
Accumulated depreciation as at 1 April 2016	**32,352**	**220,891**	**97,236**	**651,867**	**1,002,347**
Depreciation	291	61,732	12,433	16,006	90,462
Disposal/retirements/derecognition	-	1,402	-	22,567	23,969
Accumulated depreciation as at 31 March 2017	**32,643**	**281,221**	**109,669**	**645,306**	**1,068,840**
Carrying amount as at 1 April 2016	**291**	**154,071**	**47,817**	**107,261**	**309,439**
Carrying amount as at 31 March 2017	**-**	**91,903**	**35,384**	**91,255**	**218,541**
Gross carrying amount as at 1 April 2017	32,643	373,124	145,053	736,561	1,287,381
Other additions	-	3,645	-	15,486	19,132
Disposal/retirements/derecognition	-	-	17,847	-	17,847
Gross carrying amount as at 31 March 2018	**32,643**	**376,769**	**127,206**	**752,047**	**1,288,666**
Accumulated depreciation as at 1 April 2017	**32,643**	**281,221**	**109,669**	**645,306**	**1,068,839**
Depreciation	-	49,173	11,263	16,813	77,248
Disposal/retirements/derecognition	-	-	14,221	-	14,221
Accumulated depreciation as at 31 March 2018	**32,643**	**330,394**	**106,711**	**662,119**	**1,131,866**
Carrying amount as at 1 April 2017	**-**	**91,903**	**35,384**	**91,255**	**218,542**
Carrying amount as at 31 March 2018	**-**	**46,375**	**20,495**	**89,928**	**156,800**

2B Goodwill

Changes in the carrying amount of goodwill

	31 March 2018	31 March 2017
Carrying amount at the commencemnt of the year	**-**	**593,354**
Impairment loss	-	593,354
Carrying amount at the end of the year	**-**	**-**

2C 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 2016	**2,141,910**	**215,086**	**2,356,995**
Other additions	501,025	299	501,324
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2017	**2,642,935**	**215,385**	**2,858,319**
Accumulated depreciation as at 1 April 2016	**2,141,910**	**178,810**	**2,320,720**
Depreciation	-	35,755	35,755
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2017	**2,141,910**	**214,565**	**2,356,475**
Carrying amount as at 1 April 2016	**-**	**36,276**	**36,275**
Carrying amount as at 31 March 2017	**501,025**	**820**	**501,844**
Gross carrying amount as at 1 April 2017	**2,642,935**	**215,385**	**2,858,319**
Other additions	1,086,802	-	1,086,802
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2018	**3,729,737**	**215,385**	**3,945,121**
Accumulated depreciation as at 1 April 2017	**2,141,910**	**214,565**	**2,356,475**
Depreciation	378,293	516	378,810
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2018	**2,520,203**	**215,081**	**2,735,285**
Carrying amount as at 1 April 2017	**501,025**	**820**	**501,844**
Carrying amount as at 31 March 2018	**1,209,534**	**304**	**1,209,836**

3 Loans

(Unsecured, considered good unless otherwise stated)

(Currency - USD)

	31 March 2018	31 March 2017
Loans and advances to other than related parties		
Security deposits	16,198	23,865
	16,198	**23,865**

4 Deferred tax assets

(Currency - USD)

	31 March 2018	31 March 2017
Deferred tax assets		
-Provision for depreciation	155,273	390,189
-Provision for doubtful debts and advances	49,493	3,104,187
-Provision for leave encashment	316,367	857,527
-Accrued Expenses	117,613	188,932
-Others	494,409	-
	1,133,155	**4,540,835**

5 Trade receivables

(Unsecured)

(Currency - USD)

	31 March 2018	31 March 2017
Trade receivables		
- Considered good	15,242,039	26,338,447
- Considered doubtful	321,114	10,056,236
	15,563,153	36,394,683
Less: Allowance for bad and doubtful trade receivables	321,114	10,056,236
	15,242,039	**26,338,447**

6 Cash and bank balances

(Currency - USD Million)

	31 March 2018	31 March 2017
Cash and cash equivalents		
Cheques in hand	3,018,022	-
Balances with banks		
- In current accounts	3,706,381	4,749,505
	6,724,403	**4,749,505**

7 Short term loans and advances

(Unsecured, considered good unless otherwise stated)

(Currency - USD Million)

	31 March 2018	31 March 2017
Loans and advances to related parties (Refer Note 21)		
- Dues from Related Parties	7,060,392	3,823
Loans and advances to other than related parties		
Other loans and advances		
- Security deposits	117,163	41,772
	7,177,555	**45,595**

8 Other current assets

(Unsecured, considered good unless otherwise stated)

(Currency - USD)

	31 March 2018	31 March 2017
Advance rentals	206	1,004
Employee advances	5,517	13,350
Advance to suppliers	47,860	214,074
Prepaid expenses	196,069	108,148
Others	55,956	54,553
	305,608	**391,129**

9 Share capital

(Currency - USD)

	31 March 2018	31 March 2017
Authorised:		
1000 Shares common stock without par value		
Issued subscribed and fully paid up:		
1000 (Previous year 1000) Shares of the common stock without par value fully paid	5,105,200	5,105,200
	5,105,200	**5,105,200**

10 Long term provisions

(Currency - USD)

	31 March 2018	31 March 2017
Provision for employee benefits		
- Compensated Absences	1,223,390	1,368,586
	1,223,390	**1,368,586**

11 Trade payables

(Currency - USD)

	31 March 2018	31 March 2017
Trade payables	8,811,405	13,904,534
	8,811,405	**13,904,534**

12 Other current financial liabilities

(Currency - USD)

	31 March 2018	31 March 2017
Current maturities of long term debt (Refer Note 21)		
-From KPIT Infosystems Incorporated, USA	16,149,219	16,136,059
-From KPIT Technologies Corporation, Canada	-	771,230
Other than trade payables :		
Accrued employee costs	1,881,503	3,048,902
Payable to related parties (Refer Note 21)	1,192,526	362,665
	19,223,248	**20,318,856**

13 Other current liabilities

(Currency - USD)

	31 March 2018	31 March 2017
Unearned revenue	311,729	1,844,814
Statutory remittances	296,904	870,918
	608,633	**2,715,732**

14 Short-term provisions

(Currency - USD)

	31 March 2018	31 March 2017
Provision for employee benefit		
- Compensated Absences	362,410	444,561
	362,410	**444,561**

15 Revenue from operations

	31 March 2018	31 March 2017
Software services	92,514,007	96,486,300
	92,514,007	**96,486,300**

16 Other income

	31 March 2018	31 March 2017
Interest income	816	39,012
Foreign exchange gain (net)	-	5,847
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	71,406	30,234
	72,222	**75,093**

17 Employee benefits expense

	31 March 2018	31 March 2017
Salaries, wages and incentives	41,610,980	39,935,816
Staff welfare expenses	146,571	109,945
	41,757,551	**40,045,761**

18 Finance costs

	31 March 2018	31 March 2017
Interest expense	407,117	501,023
	407,117	**501,023**

19 Other expenses

	31 March 2018	31 March 2017
Travel and overseas expenses (net)	7,065,997	2,022,636
Transport and conveyance (net)	574,487	327,615
Cost of service delivery (net)	18,253,860	17,345,363
Cost of professional sub-contracting (net)	19,066,562	19,366,070
Recruitment and training expenses	443,643	168,300
Power and fuel	8,250	-
Rent	197,693	308,105
Repairs and maintenance -		
- buildings	3,909	249
- plant & equipment	17,088	298
- others	3,948	1,509
Insurance	1,475	6,928
Rates & taxes	26,499	57,732
Communication expenses (net)	129,714	112,532
Legal and professional fees	3,086,849	6,659,734
Marketing expenses	282,948	808,653
Foreign exchange loss (net)	38,006	-
Loss on sale of fixed assets(net)	3,627	411
Printing & stationery	7,770	8,706
Bad debts written off	12,390,866	629,251
Provision for doubtful debts, unbilled revenue and advances (net)	(9,735,123)	233,581
Miscellaneous expenses (net)	172,441	121,540
	52,040,509	**48,179,213**

Note

Certain expenses are net of recoveries/reimbursements from customers.

20 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2018.

21 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
	KPIT Technologies (UK) Ltd
	KPIT Technologies Soluções EM Informática Ltda.
	KPIT Technologies GmbH, Germany
	KPIT Infosystems Limited Filial UK, Sweden
	MicroFuzzy Industrie-Elektronic GmbH
	KPIT Technologies France

B. Transactions with related parties

Sr. no.	Name of the related party	Amount of transaction 2017-18 (USD)	Balance as at 31 March 2018 (USD)	Amount of transaction 2016-17 (USD)	Balance as at 31 March 2017 (USD)
1	**KPIT Technologies Limited, India**				
	Software service charges	12,120,515	(3,533,900)	11,326,408	(6,047,249)
	Sale of software services	NIL	NIL	173	1,927
	Advance received (net)	26,321	(1,096,513)	4,600	(33,346)
	Reimbursement of expenses	(1,106,243)		(40,660)	
2	**KPIT Technologies Corporation, Canada**				
	Software service charges	183,777	(15,389)	96,753	(34,153)
	Sale of software services	87,255	16,695	78,542	NIL
	Loan Taken	NIL	NIL	NIL	(771,230)
	Repayment of loan (including interest)	778,930		NIL	
	Interest expense	7,700		20,075	
3	**KPIT Infosystems Incorporated, USA**				
	Sale of software services	1,702,034	751,900	688,959	210,563
	Software service charges	5,510,279	(1,215,076)	5,132,637	(3,583,917)
	Advance given (net)	4,757,899	7,060,392	42,751	3,636
	Reimbursement of expenses	2,682,393		1,165,700	
	Loan taken	NIL	(16,149,219)	2,500,000	(16,136,059)
	Repayment of loan (including interest)	386,059		4,531,979	
	Interest expense	399,218		479,601	

Sr. no.	Name of the related party	Amount of transaction 2017-18 (USD)	Balance as at 31 March 2018 (USD)	Amount of transaction 2016-17 (USD)	Balance as at 31 March 2017 (USD)
4	**SYSTIME Computer Corporation, USA**				
	Reimbursement of expenses	(98,138)	(96,013)	(44,482)	(329,132)
	Advance received (net)	NIL		215,809	
	Sale of software services	1,225,711	48,376	1,549,446	694,562
	Software service charges	491,811	(17,775)	921,923	(270,829)
5	**KPIT (Shanghai) Software Technology Co. Limited, China**				
	Software service charges	32,936	(5,363)	412,211	(33,645)
6	**KPIT Technologies (UK) Ltd**				
	Software service charges	4,863	6,891	217,728	11,755
	Sale of software services	1,092,761	NIL	16,572	12,120
7	**KPIT Infosystems Limited Filial UK, Sweden**				
	Sale of software services	11,648	11,648	NIL	NIL
	Software service charges	NIL	68	NIL	68
8	**KPIT Technologies Soluções EM Informática Ltda.**				
	Software service charges	138,437	(11,109)	NIL	NIL
9	**KPIT Technologies GmbH, Germany**				
	Software service charges	16,512	(7,515)	19,837	(28)
	Sale of software services	11,735	9,895	124,400	124,400
10	**KPIT Technologies France**				
	Software service charges	NIL	NIL	41	(41)
	Sale of software services	144,981	144,981	NIL	NIL
11	**MicroFuzzy Industrie-Elektronic GmbH**				
	Software service charges	594,890	(160,158)	NIL	NIL

22 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: 23 May 2018

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, 2018.

Financial Results

Particulars	2017-18 USD (Million)	2016-17 USD (Million)
Total Income	44.50	59.15
Net Profit / (Loss) for the year	1.24	0.21

Operations

During the year under review, total income of the Company has declined by 24.77% and net profit has significantly increased by 490%.

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
May 23, 2018

Kishor Patil
Chairman

Balance Sheet

as at 31 March 2018

(Amount in USD)

	Note	31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2A	9,634	27,571
Intangible fixed assets	2B	24,804	37,204
Intangible assets under development		206,841	29
Financial assets			
Investments	3	501	501
Income tax assets (net)		225,646	650,219
Deferred tax assets	4	323,473	899,675
		790,899	**1,615,199**
Current assets			
Financial assets			
Trade receivables	5	15,478,379	14,743,792
Cash and cash equivalents	6	3,417,520	3,325,663
Loans	7	1,054,273	3,495,327
Unbilled revenue		169,297	805,005
Other current assets	8	56,437	63,234
		20,175,906	**22,433,021**
	TOTAL	**20,966,805**	**24,048,220**

(Amount in USD)

	Note	31 March 2018	31 March 2017
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	110,000	110,000
Other equity		13,258,317	12,022,221
		13,368,317	**12,132,221**
Non-current liabilities			
Provisions	10	1,119,122	1,089,883
		1,119,122	**1,089,883**
Current liabilities			
Financial liabilities			
Trade payables	11	4,369,794	5,540,190
Other	12	1,634,681	3,778,291
Other current liabilities	13	214,239	795,836
Provisions	14	233,772	277,469
Current income tax liabilities (net)		26,880	434,330
		6,479,366	**10,826,116**
	TOTAL	**20,966,805**	**24,048,220**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-21		

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

Director **Director**

Place: Pune
Date: 23 May 2018

Statement of Profit and Loss

for the year ended on 31 March 2018

(Amount in USD)

	Note	31 March 2018	31 March 2017
Revenue from operations			
Sale of services	15	44,439,442	58,768,709
Other income	16	55,922	378,290
Total income		**44,495,364**	**59,146,999**
Expenses			
Employee benefits expense	17	22,566,747	27,950,207
Depreciation and amortization	2	30,076	32,590
Other expenses	18	19,190,830	30,533,624
Total expenses		**41,787,653**	**58,516,421**
Profit before tax		2,707,711	630,578
Tax expenses			
Current tax		895,413	164,195
Deferred tax benefit		576,202	259,725
Total tax expense		1,471,615	423,920
Profit for the year		**1,236,096**	**206,658**
Other comprehensive income		**-**	**-**
Total comprehensive income		**1,236,096**	**206,658**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2-21		

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

Director **Director**

Place: Pune
Date: 23 May 2018

Statement of Cash Flows

for the year ended on 31 March 2018

(Amount in USD)

PARTICULARS	31 March 2018	31 March 2017
A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	1,236,096	206,658
Adjustments for		
Income tax expense	1,471,615	423,920
Unrealised Forex Gain/(Loss)	1,757	4,239
Profit/Loss on sale of fixed assets (net)	289	467
Depreciation / Amortization	30,076	32,590
Bad debts written off	(59,519)	917,350
Provision for doubtful debts, unbilled revenue and advances (net)	(16,413)	(521,567)
Interest income	(16,087)	(68,338)
Dividend income	-	(289,415)
Operating Profit before working capital changes	2,647,814	705,904
Adjustments for changes in working capital:		
Trade receivables and unbilled revenue	(23,693)	3,746,635
Loans, other financials assets and other assets	469,853	(987,732)
Trade Payables	(1,171,407)	8,189
Other financial liabilities, other liabilities and provisions	(2,739,665)	(2,262,420)
Cash generated from operations	(817,098)	1,210,576
Taxes Paid	(878,290)	(281,100)
Net cash from operating activities (A)	**(1,695,388)**	**929,476**
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(206,840)	(37,234)
Proceeds from Sale of Fixed Assets	-	450
Loans repaid by related parties	1,977,998	992,345
Interest received	16,087	68,338
Dividend received	-	289,415
Net Cash from /(used in) investing activities (B)	**1,787,245**	**1,313,314**
Net Increase / (decrease) in cash and cash equivalents (A + B)	**91,857**	**2,242,790**
Cash & cash equivalents at close of the year (refer note 1 below)	3,417,520	3,325,663
Cash & cash equivalents at beginning of the year (refer note 1 below)	3,325,663	1,082,873
Cash surplus / (deficit) for the year	**91,857**	**2,242,790**
Note 1:		
Cash and cash equivalents include:		
Cheques in Hand	9,601	54,525
Balance with banks		
- In current accounts	3,407,919	3,271,138
Total Cash and cash equivalents	**3,417,520**	**3,325,663**

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: 23 May 2018

Statement of Changes in Equity

for the year ended on 31 March 2018

(Amount in USD)

A Equity share capital

Balance as at 1 April 2016	110,000
Changes in equity share capital during 2016-17	-
Balance as at 31 March 2017	**110,000**
Changes in equity share capital during 2017-18	-
Balance as at 31 March 2018	**110,000**

B Other equity

Particulars	**Retained earnings**	**Total**
Balance as on 01 April 2016	11,815,563	11,815,563
Profit for the year	206,658	206,658
Other comprehensive income	-	-
Total comprehensive income for the year	206,658	206,658
Balance as on 31 March 2017	**12,022,221**	**12,022,221**
Profit for the year	1,236,096	1,236,096
Other comprehensive income	-	-
Total comprehensive income for the year	1,236,096	1,236,096
Balance as on 31 March 2018	13,258,317	13,258,317

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

Director **Director**

Place: Pune
Date: 23 May 2018

Notes forming part of the Financial Statements

for the year ended on 31 March 2018

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"),unless otherwise stated.

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 (Number 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.

1.9 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.

1.10 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 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.

1.12 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.

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.

1.13 Investments:

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

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.

2A Property, plant and equipment

Changes in the carrying amount of property, plant and equipment

(Amount in USD)

	Plant and Equipment	Furniture and Fixtures	Office Equipments	Total
Gross carrying amount as at 1 April 2016	**178,499**	**45,000**	**13,825**	**237,324**
Other additions	-	-	-	-
Disposal/retirements/derecognition	3,772	-	-	3,772
Gross carrying amount as at 31 March 2017	**174,727**	**45,000**	**13,825**	**233,552**
Accumulated depreciation as at 1 April 2016	**118,435**	**45,000**	**12,812**	**176,247**
Depreciation	32,428	-	162	32,590
Disposal/retirements/derecognition	2,855	-	-	2,855
Accumulated depreciation as at 31 March 2017	**148,008**	**45,000**	**12,974**	**205,982**
Carrying amount as at 1 April 2016	**60,064**	**-**	**1,013**	**61,077**
Carrying amount as at 31 March 2017	**26,719**	**-**	**851**	**27,570**
Gross carrying amount as at 1 April 2017	**174,727**	**45,000**	**13,825**	**233,552**
Other additions	-	-	-	-
Disposal/retirements/derecognition	730	-	-	730
Gross carrying amount as at 31 March 2018	**173,997**	**45,000**	**13,825**	**232,822**
Accumulated depreciation as at 1 April 2017	**148,008**	**45,000**	**12,974**	**205,982**
Depreciation	17,485	-	162	17,647
Disposal/retirements/derecognition	441	-	-	441
Accumulated depreciation as at 31 March 2018	**165,052**	**45,000**	**13,136**	**223,188**
Carrying amount as at 1 April 2017	**26,719**	**-**	**851**	**27,570**
Carrying amount as at 31 March 2018	**8,945**	**-**	**689**	**9,634**

2B Other intangible assets

Changes in the carrying amount of other intangible assets

(Amount in USD)

	Internally Generated Product Development Cost	Total
Gross carrying amount as at 1 April 2016	**-**	**-**
Other additions	37,204	37,204
Disposal/retirements/derecognition	-	-
Gross carrying amount as at 31 March 2017	**37,204**	**37,204**
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	**37,204**	**37,204**
Gross carrying amount as at 1 April 2017	**37,204**	**37,204**
Other additions	29	29
Disposal/retirements/derecognition	-	-
Gross carrying amount as at 31 March 2018	**37,233**	**37,233**
Accumulated depreciation as at 1 April 2017	**-**	**-**
Depreciation	12,429	12,429
Disposal/retirements/derecognition	**-**	**-**
Accumulated depreciation as at 31 March 2018	**12,429**	**12,429**
Carrying amount as at 1 April 2017	**37,204**	**37,204**
Carrying amount as at 31 March 2018	**24,804**	**24,804**

3 Non-current investments

(Amount in USD)

	31 March 2018	31 March 2017
Trade Investments (Unquoted)		
Investments in equity instruments of subsidiaries (at cost)		
MICROFUZZY KPIT TECNOLOGIA LTDA	500	500
(erstwhile SYSTIME Global Solutions LtdA, Brazil)		
1,000 (Previous year 1,000) shares of BRL 1 each		
KPIT Technologies Corporation	1	1
(erstwhile SYSTIME Global Solutions Inc., Canada)		
1 (Previous year 1) common share of CAD 1 each		
	501	**501**

4 Deferred tax assets

(Amount in USD)

	31 March 2018	31 March 2017
Deferred tax assets		
-Provision for leave encashment	295,957	441,655
-Bad debts reserve	15,323	27,603
-Others	18,873	439,755
	330,153	**909,013**
Deferred tax liabilities		
-Provision for depreciation	6,680	9,338
	6,680	**9,338**
Net deferred tax asset	**323,473**	**899,675**

5 Trade receivables

(Unsecured)

(Amount in USD million)

	31 March 2018	31 March 2017
Trade receivables		
- Considered good	15,478,379	14,743,792
- Considered doubtful	619,165	602,752
	16,097,544	**15,346,544**
Less: Provision for doubtful trade receivables	619,165	602,752
	15,478,379	**14,743,792**

6 Cash and bank balances

(Amount in USD)

	31 March 2018	31 March 2017
Cash and cash equivalents		
Cheques in hand	9,601	54,525
Balances with banks		
- In current accounts	3,407,919	3,271,138
	3,417,520	**3,325,663**

7 Short term loans and advances

(Unsecured, considered good unless otherwise stated)

(Amount in USD)

	31 March 2018	31 March 2017
Loans and advances to related parties (Refer Note 20)		
- Dues from related parties	1,054,273	1,517,329
-Loan to KPIT Infosystems ME FZE, UAE	-	1,977,998
	1,054,273	**3,495,327**

8 Other current assets

(Unsecured, considered good unless otherwise stated)

(Amount in USD)

	31 March 2018	31 March 2017
Employee advances	53,258	44,833
Advance to suppliers	3,179	18,401
	56,437	**63,234**

9 Share capital

(Amount in USD)

	31 March 2018	31 March 2017
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	110,000	110,000
	110,000	**110,000**

10 Long term provisions

(Amount in USD)

	31 March 2018	31 March 2017
Provision for employee benefits		
- Compensated Absences	1,119,122	1,089,883
	1,119,122	**1,089,883**

11 Trade payables

(Amount in USD)

	31 March 2018	31 March 2017
Trade payables	4,369,794	5,540,190
	4,369,794	**5,540,190**

12 Other current financial liabilities

(Amount in USD)

	31 March 2018	31 March 2017
Other than trade payables :		
Accrued employee costs	1,634,681	2,210,714
Payable to related parties (Refer Note 20)	-	1,567,577
	1,634,681	**3,778,291**

13 Other current liabilities

(Amount in USD)

	31 March 2018	31 March 2017
Unearned revenue	56,160	70,085
Statutory remittances	158,079	725,751
	214,239	**795,836**

14 Short-term provisions

(Amount in USD)

	31 March 2018	31 March 2017
Provision for employee benefit		
- Compensated Absences	233,772	277,469
	233,772	**277,469**

15 Revenue from operations

(Amount in USD)

	31 March 2018	31 March 2017
Software services	44,439,442	58,768,709
	44,439,442	**58,768,709**

16 Other income

(Amount in USD)

	31 March 2018	31 March 2017
Interest income	16,087	68,338
Dividend income from current investments (non-trade)	-	289,415
Foreign exchange gain (net)	-	13,622
Other non operating income	39,835	6,915
	55,922	**378,290**

17 Employee benefits expense

(Amount in USD)

	31 March 2018	31 March 2017
Salaries, wages and incentives	22,483,311	27,873,600
Staff welfare expenses	83,436	76,607
	22,566,747	**27,950,207**

18 Other expenses

(Amount in USD)

	31 March 2018	31 March 2017
Travel and overseas expenses (net)	2,391,767	2,825,410
Transport and conveyance (net)	202,258	259,858
Cost of service delivery (net)	10,544,478	14,585,058
Cost of professional sub-contracting (net)	5,387,569	11,683,778
Recruitment and training expenses	3,047	28,756
Rent	7,426	4,254
Repairs and maintenance -		
- others	-	512
Rates & taxes	3,498	8,848
Communication expenses (net)	93,230	39,076
Legal and professional fees	339,135	432,362
Marketing expenses	236,426	215,872
Loss on sale of fixed assets (net)	289	467
Printing & stationery	1,200	2,824
Bad debts written off	(59,519)	917,350
Provision for doubtful debts, unbilled revenue and advances (net)	(16,413)	(521,567)
Foreign exchange loss (net)	257	-
Miscellaneous expenses (net)	56,182	50,766
	19,190,830	**30,533,624**

Note

Certain expenses are net of recoveries/reimbursements from customers.

19 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2018.

20 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
	MICROFUZZY KPIT TECNOLOGIA 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
	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 2017-18 (USD)	Balance as at 31 March 2018 (USD)	Amount of transaction 2016-17 (USD)	Balance as at 31 March 2017 (USD)
1	**KPIT Technologies Limited, India**				
	Advance received (net)	66,252	31,339	45,116	(137,354)
	Reimbursement of expenses	(429,801)		(439,836)	
	Software service charges	5,984,961	(3,528,446)	9,844,722	(3,599,171)
	Sale of software services	5,190	(215)	150,697	104,242
2	**KPIT Technologies Corporation, Canada**				
	Software service charges	31,673	(1,470)	166,502	(20,193)
	Sale of software services	2,367,466	264,842	1,410,365	202,225
	Reimbursement of expenses	1,750,489	428,801	1,254,172	(1,422,638)
	Advance given (net)	156,808		1,237,884	
3	**KPIT Infosystems Incorporated, USA**				
	Sale of software services	17,043,703	10,735,270	16,785,550	7,976,251
	Software service charges	3,374,435	(483,388)	2,936,090	(239,019)
	Advance received (net)	5,302,383	467,135	1,960,620	1,180,612
	Reimbursement of expenses	2,435,811		1,280,950	
4	**KPIT Technologies France**				
	Sale of software services	2,232	2,232	169,451	1,585
	Software service charges	NIL	NIL	NIL	(6,845)
5	**KPIT Infosystems ME FZE (Korea Branch)**				
	Sale of software services	NIL	NIL	NIL	1,504
6	**KPIT Infosystems ME FZE (Australia Branch)**				
	Sale of software services	NIL	NIL	2,969	30,755
	Software service charges	2,503	1,694	491	(491)
7	**KPIT Infosystems ME FZE, Dubai**				
	Repayment of Loan (including interest)	1,993,916	NIL	1,059,752	1,977,998
	Interest income on loan	15,918		67,407	
8	**KPIT Technologies (UK) Ltd**				
	Software service charges	(4,036)	NIL	28,598	(24,465)
	Advance given (net)	30,985	30,985	NIL	NIL
	Sale of software services	58,034	888	193,595	126,552
9	**KPIT Technologies Soluções Em Informática Ltda., Brasil**				
	Software service charges	NIL	NIL	58,433	NIL
10	**KPIT Technologies GmbH, Germany**				
	Sale of software services	73,610	54,158	1,628	4,793
	Software service charges	1,834	NIL	7,530	(7,530)
11	**Sparta Consulting Inc. USA**				
	Sale of software services	491,811	17,775	921,923	270,829
	Software service charges	1,225,711	(48,376)	1,549,446	(694,562)
	Advance given (net)	-	96,013	215,809	329,132
	Reimbursement of expenses	98,138		44,482	
12	**KPIT Technologies Netherlands B.V.**				
	Sale of software services	NIL	(901)	6,827	(901)
13	**KPIT Infosystems Limited Filial UK, Sweden**				
	Software service charges	1,067	NIL	NIL	(1,154)
	Sale of software services	3,292	NIL	20,199	20,199

21 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: 23 May 2018

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, 2018.

Financial Results

Particulars	2017-18 CAD (Million)	2016-17 CAD (Million)
Total Income	26.78	17.17
Net Profit / (Loss) for the period	2.95	0.75

Operations

During the year under review, total income of the Company increased by 41.97% and the net profit has significantly increased by 288.16%.

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
May 23, 2018

Kishor Patil
Chairman

Balance Sheet

as at 31 March 2018

(Currency - CAD)

	Note	31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Income tax assets (net)		-	172,950
		-	**172,950**
Current assets			
Financial assets			
Trade receivables	2	6,730,851	6,993,065
Cash and cash equivalents	3	6,175,198	1,899,798
Loans	4	3,203,755	2,956,083
Other current assets	5	66,973	419,190
		16,176,777	**12,268,136**
TOTAL		**16,176,777**	**12,441,086**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	1	1
Other equity		10,335,212	7,382,030
		10,335,213	**7,382,031**
Liabilities			
Non-Current liabilities			
Provisions	7	144,082	137,763
		144,082	**137,763**
Current liabilities			
Financial liabilities			
Trade payables	8	3,709,378	3,227,670
Other	9	957,327	304,224
Other current liabilities	10	699,167	1,362,782
Provisions	11	30,660	26,615
Current income tax liability (net)		300,950	-
		5,697,482	**4,921,292**
TOTAL		**16,176,777**	**12,441,086**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2 - 19		

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES CORPORATION

Director **Director**

Place: Pune
Date: 23 May 2018

Statement of Profit and Loss

FOR THE YEAR ENDED ON 31 MARCH 2018

(Currency - CAD)

	Note	31 March 2018	31 March 2017
Revenue from operations			
Sale of services	12	26,675,510	17,148,087
Other income	13	102,003	26,468
Total income		**26,777,513**	**17,174,555**
Expenses			
Employee benefits expense	14	7,501,042	5,935,233
Finance costs	15	-	34,510
Other expenses	16	15,406,595	10,086,371
Total expenses		**22,907,638**	**16,056,114**
Profit before tax		**3,869,875**	**1,118,441**
Tax expense			
Current tax		916,693	368,881
Total tax expense		**916,693**	**368,881**
Profit for the year		**2,953,182**	**749,560**
Other comprehensive income		-	-
Total comprehensive income		**2,953,182**	**749,560**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2 - 19		

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES CORPORATION

Director **Director**

Place: Pune
Date: 23 May 2018

Statement of Cash Flows

FOR THE YEAR ENDED ON 31 MARCH 2018

(Currency - CAD)

PARTICULARS		31 March 2018	31 March 2017
A]	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the period	2,953,182	749,560
	Adjustments for		
	Income tax expense	916,693	368,881
	Interest income	(70,245)	(26,468)
	Unrealised foreign exchange Loss	61,743	41,629
	Operating Profit before working capital changes	3,861,373	1,133,602
	Adjustments for changes in working capital:		
	Trade Payables	476,872	579,376
	Other financial liabilities, other liabilities and provisions	(149)	1,028,125
	Trade Recievables	321,166	(2,340,176)
	Other current assets	2,232,815	(601,298)
	Cash generated from operations	6,892,077	(200,370)
	Taxes Paid	(442,793)	(607,355)
	Net cash from operating activities (A)	**6,449,284**	**(807,725)**
B]	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Loan given to related parties	(2,177,739)	-
	Interest received	3,854	-
	Net Cash from /(used in) investing activities (B)	**(2,173,885)**	**-**
	Net Increase / (decrease) in cash and cash equivalents (A + B)	**4,275,400**	**(807,725)**
	Cash & cash equivalents at close of the year (refer note 1 below)	6,175,198	1,899,798
	Cash & cash equivalents at beginning of the year (refer note 1 below)	1,899,798	2,707,523
	Cash surplus / (deficit) for the year	**4,275,400**	**(807,725)**
Note 1:			
Cash and cash equivalents include:			
Balance with banks			
-	In current accounts	6,175,198	1,899,798
Total Cash and cash equivalents		**6,175,198**	**1,899,798**

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: 23 May 2018

Statement of Changes in Equity

FOR THE YEAR ENDED ON 31 MARCH 2018

(Currency - CAD)

A	**Equity share capital**	
	Balance as at 1 April 2016	1
	Changes in equity share capital during 2016-17	-
	Balance as at 31 March 2017	**1**
	Changes in equity share capital during 2017-18	-
	Balance as at 31 March 2018	**1**

B	**Other equity**		
	Particulars	**Retained earnings**	**Total**
	Balance as on 01 April 2016	6,632,470	6,632,470
	Total comprehensive income for the year 2016-17	749,560	749,560
	Balance as on 31 March 2017	**7,382,030**	**7,382,030**
	Total comprehensive income for the year 2017-18	2,953,182	2,953,182
	Balance as on 31 March 2018	**10,335,212**	**10,335,212**

For and on behalf of the Board of Directors of
KPIT TECHNOLOGIES CORPORATION

Director **Director**

Place: Pune
Date: 23 May 2018

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."

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 Trade receivables

(Unsecured)

(Currency - CAD)

	31 March 2018	31 March 2017
Others receivables		
- Considered good	6,730,851	6,993,065
- Considered doubtful	71,001	72,404
Less: Allowances for doubtful trade receivables	71,001	72,404
	6,730,851	6,993,065
	6,730,851	**6,993,065**

3 Cash and bank balances

(Currency - CAD)

	31 March 2018	31 March 2017
Balances with banks		
- In current accounts	6,175,198	1,899,798
	6,175,198	**1,899,798**

4 Short term loans and advances

(Unsecured, considered good unless otherwise stated)

(Currency - CAD)

	31 March 2018	31 March 2017
Loans and advances to related parties (Refer note 18)		
- Receivables from related parties	-	1,892,723
- Loan to Sparta Consulting Inc., USA	-	1,026,069
-Loan to KPIT Infosystems Inc., USA	3,154,339	-
Loans and advances to other than related parties		
Other loans and advances		
- Employee advances	46,652	30,367
- Advance to suppliers	1,675	5,836
- Security deposits	1,089	1,089
	3,203,755	**2,956,083**

5 Other current assets

(Unsecured, considered good unless otherwise stated)

(Currency - CAD)

	31 March 2018	31 March 2017
Unbilled revenue	64,237	417,902
Prepaid expenses	2,736	1,288
	66,973	**419,190**

6 Share capital

(Currency - CAD)

	31 March 2018	31 March 2017
Issued subscribed and fully paid up:		
100 (2017 : 100) Class A voting common shares with no par value fully paid up	1	1
	1	**1**

7 Long-term provisions

(Currency - CAD)

	31 March 2018	31 March 2017
Provision for employee benefit		
- Compensated Absences	144,082	137,763
	144,082	**137,763**

8 Trade payables

(Currency - CAD)

	31 March 2018	31 March 2017
Trade payables	3,709,378	3,227,670
	3,709,378	**3,227,670**

9 Other current financial liabilities

(Currency - CAD)

	31 March 2018	31 March 2017
Accrued employee costs	233,250	209,242
Payable to related parties	724,077	94,982
	957,327	**304,224**

10 Other current liabilities

(Currency - CAD)

	31 March 2018	31 March 2017
Unearned revenue	134,520	480,901
Statutory Liabilities	564,647	881,881
	699,167	**1,362,782**

11 Short-term provisions

(Currency - CAD)

	31 March 2018	31 March 2017
Provision for employee benefit		
- Compensated Absences	30,660	26,615
	30,660	**26,615**

12 Revenue from operations

(Currency - CAD)

	31 March 2018	31 March 2017
Software services	26,675,510	17,148,087
	26,675,510	**17,148,087**

13 Other income

(Currency - CAD)

	31 March 2018	31 March 2017
Interest income	70,245	26,468
Other non operating income (net of expenses directly attributable to such income) (including miscellaneous income)	31,758	-
	102,003	**26,468**

14 Employee benefits expense

(Currency - CAD)

	31 March 2018	31 March 2017
Salaries, wages and incentives	7,492,559	5,928,040
Staff welfare expenses	8,483	7,194
	7,501,042	**5,935,233**

15 Finance costs

(Currency - CAD)

	31 March 2018	31 March 2017
Interest expense	-	34,510
	-	**34,510**

16 Other expenses

(Currency - CAD)

	31 March 2018	31 March 2017
Travel and overseas expenses (net)	564,571	180,016
Transport and conveyance (net)	38,962	34,986
Cost of service delivery (net)	11,945,849	7,915,242
Cost of professional sub-contracting (net)	2,728,561	1,948,250
Recruitment and training expenses	271	1,202
Rent	15,571	15,651
Insurance	25,008	1,069
Rates & taxes	75,385	71,095
Communication expenses (net)	-	1,758
Legal and professional fees	22,180	41,595
Marketing expenses	37,827	17,331
Printing & Stationery	143	-
Foreign exchange loss (net)	18,787	962
Provision for doubtful debts and advances (net)	(1,404)	(147,518)
Bad Debts written off	(71,994)	-
Miscellaneous expenses (net)	6,879	4,730
	15,406,596	**10,086,371**

Note

Certain expenses are net of recoveries/reimbursements from customers.

17 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2018.

18 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
	KPIT Technologies France
	KPIT Infosystems Limited Filial UK, Sweden

B. Transactions with related parties

Sr. no.	Name of the related party	Amount of transaction 2017-18 (CAD)	Balance as at 31 March 2018 (CAD)	Amount of transaction 2016-17 (CAD)	Balance as at 31 March 2017 (CAD)
1	**KPIT Technologies Limited, India**				
	Advance Received (Net)	109,224		27,652	
	Advance Given (Net)	NIL	(170,841)	NIL	(93,471)
	Reimbursement of expenses	(536,871)		(260,284)	
	Sale of software services	116	116	4,595	4,595
	Software service charges	8,005,808	(3,001,273)	5,334,029	(1,972,105)
2	**SYSTIME Computer Corporation, USA**				
	Advance Given (Net)	NIL		1,619,606	
	Advance Received (Net)	201,823	(552,713)	NIL	1,892,723
	Reimbursement of expenses	(2,275,939)		(1,672,514)	
	Sale of software services	41,100	1,892	218,549	26,824
	Software services charges	3,051,233	(340,934)	1,860,293	(270,166)
3	**KPIT Infosystems Incorporated, USA**				
	Reimbursement of expenses	(12,574)	(523)	(6,351)	(1,511)
	Advance Received (Net)	144		NIL	
	Loan given	3,002,400	3,154,339	NIL	NIL
	Interest income	60,100		NIL	
	Software service charges	587,407	(112,957)	240,178	(63,870)
	Sale of software services	712,383	45,533	326,319	42,587
4	**KPIT Infosystems ME FZE Australia Branch**				
	Sale of Software service	NIL	3,509	3,272	9,543
5	**KPIT Technologies (UK) Ltd**				
	Sale of software services	16,403	9,566	23,385	194,975
	Software service charges	229,630	(6,606)	248,418	(125,114)
6	**KPIT Technologies GmbH, Germany**				
	Sale of software services	(227)	(227)	NIL	NIL
	Software service charges	65,284	1,590	137,774	(225,669)
7	**Sparta Consulting Inc. USA**				
	Sale of software services	234,957	19,458	128,296	45,060
	Software service charges	109,922	(21,491)	103,434	NIL
	Loan given (including interest)	NIL		NIL	
	Repayment of loan (including interest)	975,435	NIL	NIL	1,026,069
	Interest income	10,133		26,468	
8	**KPIT Technologies France**				
	Sale of software services	109,145	93,195	47,867	65,464
	Software service charges	NIL	NIL	NIL	(177)
10	**KPIT Infosystems Limited Filial UK, Sweden**				
	Sale of software services	3,813	(4,074)	29,160	29,160
	Software service charges	1,374	(65)	NIL	(45)

19 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: 23 May 2018

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 Sixth report on the operations of the Company together with the audited accounts for the financial year ended March 31, 2018.

Financial Results

Particulars	2017-18 R$	2016-17 R$
Net Revenue	19,099,973	16,681,111
Profit / (Loss) for the year	319,228	(3,967,800)

Operations

During the year under review, total revenues of the Company increased by 14.50% and the net profit has increased by 91.95%.

Further, the Company has established its branch office at Recife on May 8, 2017.

Share Capital

During the year under review, share capital of the Company has increased to R$ 4,022,378.

Audit

The Company appointed Actual Contabilidade S.S. 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 16, 2018

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, 2018 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, 2018, 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 16, 2018

Actual Contabilidade S.S.

CRC-SP - 2SP024780/O-6

Rodrigo Aparecido Leme de Oliveira

Accountant CRC - 1SP309141/O-1

Balance Sheets

AS OF MARCH 31, 2018 AND 2017
(In Brazilian reais without cents)

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	256,789	517,173
Accounts receivable	1,600,672	1,490,306
Advances to suppliers	639	-
Advances to employees	32,773	18,418
Recoverable taxes	1,658,584	1,371,649
Other accounts receivable	82,590	-
	3,632,047	3,397,546
Non-Current assets:		
Property, plant and equipment	126,239	127,323
	126,239	127,323
Liabilities		
Current liabilities:		
Suppliers	65,173	16,683
Taxes and contributions payable	124,639	235,671
Payroll and related charges	266,875	827,920
Accrued vacations and related charges	888,965	784,974
Accrued consulting fees	483,824	476,153
Accrued bonus	604,665	801,818
Other accruals	42,611	56,814
	2,476,752	3,200,033
Non-Current liabilities:		
Intercompany Loan Agreement	637,470	-
	637,470	-
Shareholders' equity:		
Capital stock	4,022,378	1,122,145
Accumulated (loss) profits	(3,378,314)	(3,697,542)
	644,064	(2,575,397)
Advanced for future capital increase	-	2,900,233
	644,064	324,836
	3,758,286	3,524,869

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

Income Statements

FOR THE YEARS ENDED MARCH 31, 2018 AND 2017
(In Brazilian reais without cents, except profit (loss) per shareqota)

	2018	2017
Gross revenue:		
Services revenue - domestic market	16,964,537	12,871,391
Services revenue - foreign market	3,642,118	5,148,059
	20,606,655	18,019,450
Deductions:		
Sales Taxes	(1,506,682)	(1,338,339)
Operational net revenue	19,099,973	16,681,111
Cost of services rendered	(6,660,904)	(7,402,260)
Gross profit	12,439,069	9,278,851
Operational expenses		
Selling expenses	(213,878)	(538,249)
Administrative and general expenses	(11,702,454)	(12,224,689)
Tax expenses	(52,866)	(164,424)
Finance (expenses) revenues, net	(154,105)	(363,417)
	(12,123,303)	(13,290,779)
Profit (loss) before financial result	315,766	(4,011,928)
Income and Social contributions tax	3,462	44,128
Profit (loss) for the year	319,228	(3,967,800)
Profit (loss) per sharequota	0.08	(3.54)

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

Statements of Changes in Shareholders' Equity

FOR THE YEARS ENDED MARCH 31, 2018 AND 2017
(In Brazilian reais without cents)

	Capital Stock	Accumulated (loss) profits	Advanced for future capital increase	Total
Balances at April 1, 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
Capital increase	2,900,233	-	(2,900,233)	-
Profit for the year	-	319,228	-	319,228
Balances at March 31, 2018	4,022,378	(3,378,314)	-	644,064

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

Cash Flow Statements

FOR THE YEARS ENDED MARCH 31 2018, AND 2017
(In Brazilian reais without cents)

	2018	2017
CASH FLOW OF OPERATIONAL ACTIVITIES		
Profit (loss) for the year	319,228	(3,967,800)
Adjustments to reconcile the fiscal year net profit with Cash		
generated by operational activities:		
Depreciation and amortization	40,782	32,287
Decrease (Increase) in the operational assets:		
Accounts receivable from clients	(110,366)	1,231,696
Advances to suppliers	(639)	97,298
Advances to employees	(14,355)	79,567
Recoverable taxes	(286,935)	(312,984)
Other accounts receivable	(82,590)	-
Increase (decrease) in the operational liabilities:		
Suppliers	48,490	(67,079)
Taxes and contributions payable	(111,032)	80,426
Salaries and Labor Taxes payable	(561,045)	620,422
Accrued vacations and related charges	103,991	(99,257)
Accrued consulting fees	7,671	(206,559)
Accrued bonus	(197,153)	466,151
Accrued for labor claims	-	(45,966)
Intercompany Loan Agreement	-	(800,000)
Other accruals	(14,203)	(45,414)
Cash invested in operational activities	(858,156)	(2,937,212)
CASH FLOW OF INVESTMENTS ACTIVITIES		
Fixed assets acquisition	(39,698)	(65,809)
Cash invested on activities of investments	(39,698)	(65,809)
CASH FLOW OF FINANCIAL ACTIVITIES		
Intercompany loan agreement	637,470	-
Advanced for future capital increase	-	2,900,233
DECREASE OF AVAILABLE FUNDS BALANCE	(260,384)	(102,788)
CASH AND CASH EQUIVALENTS		
Opening Balance	517,173	619,961
Ending Balance	256,789	517,173
DECREASE OF AVAILABLE FUNDS BALANCE	(260,384)	(102,788)

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

Notes to the Financial Statements

YEARS ENDED MARCH 31, 2018 AND 2017
(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, 2018, the company considers there will be no effects to be taken into account in the Financial Statements.

On April 16th, 2018, 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, 2018.

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

	2018	2017
Cash and Cash Equivalents	452	27,899
Investments	256,337	489,274
	256,789	**517,173**

5 Accounts Receivable

	2018	2017
Domestic sales	1,277,014	986,025
Foreign Sales – related parties	344,902	434,888
Foreign Sales – non related parties	72,187	-
Reimbursable expenses	82,538	245,362
Allowance for doubtful accounts	(175,969)	(175,969)
	1,600,672	1,490,306

6 Transactions with Related Parties

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

	2018	2017
Current Assets – Accounts receivable:		
KPIT Índia (Pure Circle)	-	174,711
KPIT US (Cummins)	196,570	169,205
KPIT Technologies US	14,805	-
KPIT US (WTF)	-	24,487
KPIT US (NOV)	21,704	15,492
KPIT UK (Unilever)	74,906	50,993
Sparta Consulting INC DBA KPIT	36,917	-
	344,902	**434,888**

The transactions performed during the year were the following:

	2018	2017
Services Revenue:		
KPIT US (Cummins)	2,127,024	2,568,108
KPIT Sweden	-	320,682
KPIT India (Pure Circle)	17,153	1,199,164
KPIT US (Epson)	11,875	-
KPIT Technologies Oshkosh	14,465	51,341
Systime US	-	197,387
KPIT US (WTF)	133,248	23,881
KPIT US (NOV)	159,187	15,109
KPIT US (Continental Hugo)	-	34,628
KPIT UK (Unilever)	675,277	299,329
KPIT UK (IMI)	-	57,609
SPARTA Consulting INC DBA KPIT	435,555	-
MICROFUZZY KPIT Tecnologia (BR)	515,000	-
	4,088,784	**4,767,238**

7 Capital Stock

The capital, totally paid up, is of R$ 4,022,378 (R$ 1,122,145 at 2017), divided in 4,022,378 (1,122,145 at 2017) quotas at the nominal amount of R$ 1.00 each, distributed to quota holders in the following proportion:

Shareholder	**Number of Sharequotas**
KPIT Technologies Limited	1,000
KPIT Infosystems Incorporated	4,021,378
	4,022,378

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, 2018.

Financial Results

Particulars	**2017-18 R$**	**2016-17 R$**
Net Revenue	1,452,155	1,416,372
Net Profit / (Loss) for the period	117,183	458,802

Operations

During the year under review, total income of the Company has increased by 2.53% and net profit has reduced by 74.45%

Audit

The Company appointed Actual Contabilidade S. S. 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 16, 2018

Kishor Patil
Chairman

REVIEW REPORT OF FINANCIAL STATEMENTS

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

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, 2018 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, 2018, 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

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 16, 2018

Actual Contabilidade S.S.

CRC-SP - 2SP024780/O-6

Rodrigo Aparecido Leme de Oliveira

Accountant CRC - 1SP309141/O-1

Balance Sheets

As of March 31, 2018 and 2017

(In Brazilian reais without cents)

Assets	2018	2017	Liabilities	2018	2017
Current assets:			**Current liabilities:**		
Cash and cash equivalents	71,128	52,724	Taxes and contributions payable	-	225,722
Accounts receivable	-	704,991	Accounts payable	-	167
Recoverable taxes	30,783	99,233		-	225,889
	101,911	856,948			
Non-Current assets:					
Long Term Debt:					
Judicial Deposits	11,127	-	**Shareholders' equity:**		
Intercompany loan agreement	637,470	-	Capital stock	1,000	1,000
Property, plant and equipment	8,501	10,767	Accumulated profits	758,009	640,826
	657,098	10,767		759,009	641,826
	759,009	867,715		759,009	867,715

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

Income Statements

For the Years Ended March 31, 2018 and 2017

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

	2018	2017
Gross revenue:		
Services revenue - domestic market	1,539,115	1,501,189
Deductions:		
Sales Taxes	(86,960)	(84,817)
Operational net revenue	1,452,155	1,416,372
Cost of services rendered	(515,000)	(550,000)
Gross profit	937,155	866,372
Operational expenses		
Administrative and general expenses	(812,232)	(225,236)
Tax expenses	(56,229)	(2,471)
Finance (expenses) revenues, net	1,269	31,934
	(867,192)	(195,773)
Profit before financial result	69,963	670,599
Income and Social contributions tax	47,220	(211,797)
Profit for the year	117,183	458,802
Profit per sharequota	117.18	458.80

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

Statements of Changes in Shareholders' Equity

For the Years Ended March 31, 2018 and 2017

(In Brazilian reais without cents)

	Capital Stock	Accumulated profits	Total
Balances at April 1st, 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
Income for the year	-	117,183	117,183
Balances at March 31, 2018	1,000	758,009	759,009

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

Cash Flow Statements

For the Years Ended March 31, 2018 and 2017

(In Brazilian reais without cents)

	2018	2017
CASH FLOW OF OPERATIONAL ACTIVITIES		
Income for the year	117,183	458,802
Adjustments to reconcile the fiscal year net profit with Cash		
generated by operational activities:		
Depreciation and amortization	2,266	567
Decrease (Increase) in the operational assets:		
Accounts receivable from clients	704,991	(678,021)
Recoverable taxes	68,450	66,754
Judicial deposits	(11,127)	-
Intercompany loan agreement	(637,470)	800,000
Increase (decrease) in the operational liabilities:		
Taxes and contributions payable	(225,722)	225,501
Accounts payable	(167)	(7,020)
Cash generated by operational activities	18,404	866,583
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)
INCREASE (DECREASE) OF AVAILABLE FUNDS BALANCE	18,404	(84,771)
CASH AND CASH EQUIVALENTS		
Opening Balance	52,724	137,495
Ending Balance	71,128	52,724
INCREASE (DECREASE) OF AVAILABLE FUNDS BALANCE	18,404	(84,771)

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

Notes to the Financial Statements

Years Ended March 31, 2018 and 2017

(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, 2018, the company considers there will be no effects to be taken into account in the Financial Statements.

On April 16th, 2018, 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, 2018.

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 Seventh report on the operations of the Company together with the audited accounts for the financial year ended March 31, 2018.

Financial Results

Particulars	2017-18 RMB	2016-17 RMB
Total Income	27,723,495	22,831,029
Net Profit / (Loss) for the year	(2,124,543)	(1,354,853)

Operations

During the year under review, the income of the Company has increased by 21% however, 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 Shine Wing 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, 2018

Kishor Patil
Chairman

AUDITORS' REPORT

To the Board of Directors of KPIT (Shanghai) Software Technology Co., Ltd.:

1. Opinion

We have audited the financial statements of KPIT (Shanghai) Software Technology Co., Ltd. (the "Company"), which comprise the balance sheet as at 31 March 2018, the income statement, the cash flow statement and the statement of changes in owners' equity for the year then ended March 31st, 2018, and the related notes to the financial statements.

In our opinion, the accompanying financial statements of KPIT (Shanghai) Software Technology Co., Ltd. present fairly, in all material respects, the Company's financial position as at 31 March 2018, the Company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

2. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities of the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

3. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation of the financial statements in accordance with Accounting Standards for Business Enterprises to achieve fair presentation; and 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.

In preparing the financial statements, the Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible to overseeing the company's financial reporting process.

4. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally 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.

During the course of audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also carry out the following works:

(1) Identify and assess the risks of material misstatement of 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 audit. 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.

(2) Obtain an understanding of 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 its internal control.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting 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 to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements in accordance with the auditing standards or, if such disclosures are inadequate, we shall modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and also whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings etc., including any significant deficiencies in internal control that we identify during our audit.

ShineWing CPAs

Shanghai, the People's Republic of China

April 20th, 2018

Balance Sheet

FOR THE YEAR ENDED 31 MARCH 2018

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

Currency: RMB

Item	Line No.	March 31st, 2018	March 31st, 2017
Current Assets:	1	—	—
Cash and bank balance	2	8,120,855.02	8,756,978.25
Deposit Reservation for Balance	3		
Lendings to Banks and Other Financial Institutions	4		
Financial Assets at fair value through profit or loss	5		
Note receivable	6		
Accounts receivable	7	10,403,419.90	8,157,783.07
Prepayments	8	177,150.32	141,260.83
Premiums receivable	9		
Reinsurance receivable	10		
Reserve receivable of reinsurance contracts	11		
Interest receivable	12		
Dividends receivable	13		
Other receivable	14	566,779.83	261,779.83
Financial assets purchased under resale	15		
Inventory	16		
Including: Raw material	17		
Finished goods	18		
Assets held for sale	19		
Non-current assets maturing within 1 year	20		
Other current assets	21		
Total Current Assets	22	19,268,205.07	17,317,801.98
Non-current Assets:	23	—	—
Loans and advances	24		
Available-for-sale financial assets	25		
Held-to-maturity investment	26		
Long-term receivable	27		
Long-term equity investment	28		
Investment real estate	29		
Fixed assets - cost	30	613,887.49	586,443.04
Less: Accumulated depreciation	31	325,130.82	215,826.29
Fixed assets - net value	32	288,756.67	370,616.75
Less: Provision for impairment of fixed assets	33	-	-
Fixed assets - net book value	34	288,756.67	370,616.75
Construction in process	35		
Construction material	36		
Liquidation (Disposal) of fixed assets	37		
Productive biological assets	38		
Oil gas assets	39		
Intangible assets	40	38,639.54	63,853.22
Research and development cost	41		
Goodwill	42		
Long-term prepaid expense	43	110,931.83	191,038.31
Deferred tax assets	44		
Other non-current assets	45		
Including: Specially approved reserving materials	46		
Total Non - current Assets	47	438,328.04	625,508.28
	48		
	49		
	50		
	51		
	52		
	53		
	54		
	55		
	56		
	57		
	58		
	59		
	60		
	61		
	62		
	63		
Total Assets	64	19,706,533.11	17,943,310.26

Item	Line No.	March 31st, 2018	March 31st, 2017
Current Liabilities:	65	—	—
Short-term loans	66		
Borrowing from the central bank	67		
Absorb deposit and storage	68		
Borrowings from Banks and Other Financial Institutions	69		
Financial Liabilities at fair value through profit or loss	70		
Notes payable	71		
Accounts payable	72	7,860,013.35	4,714,684.98
Advance from customers	73		
Financial assets sold under repurchase	74		
Fee and commission payable	75		
Accrued payroll and welfare	76	1,598,297.88	633,100.37
Including: Accrued payroll	77	1,598,297.88	633,100.37
Accrued welfare	78		
Including: employee award and welfare fund	79		
Tax payable	80	95,337.04	112,673.38
Including: Tax payable	81	91,184.04	106,690.73
Interest payable	82		
Dividends payable	83		
Other payable	84	785,007.73	990,431.06
Reinsurance payable	85		
Reserve of insurance contract	86		
Agents sale of security	87		
Liabilities held for sale	88		
Non-current liabilities maturing within 1 year	89		
Other current liabilities	90		
Total Current Liabilities	91	10,338,656.00	6,450,889.79
Non-current Liabilities	92	—	—
Long-term loans	93	-	-
Bonds payable	94	-	-
Long-term payable	95	-	-
Grants(special) payable	96	-	-
Estimated liabilities	97	-	-
Deferred tax liability	98	-	-
Other non-current liabilities	99	-	-
Including: special reserve fund	100	-	-
Total Non-current Liabilities	101	-	-
Total Liabilities	102	10,338,656.00	6,450,889.79
Owners` Equity(or shareholders` equity):	103	—	—
Paid-in capital (or share)	104	14,074,702.40	14,074,702.40
State capital	105	-	-
Including: state-owned legal person's capital	106	-	-
Collective capital	107	-	-
Private capital	108	-	-
Including: Personal capital	109	-	-
Foreign investor's capital	110	14,074,702.40	14,074,702.40
Less: treasury share	111	-	-
Net paid-in capital (or share)	112	14,074,702.40	14,074,702.40
Capital surplus	113	21,916.98	21,916.98
Less: treasury share	114	-	-
Other comprehensive income	115	-	-
Special reserve	116	-	-
Surplus reserve	117		
including: Statutory reserve	118	-	-
Voluntary reserve	119		
Reserve fund	120		
Development fund	121		
Profit for returning investment	122	-	-
General risk reserve	123	-	-
Undistributed profits	124	-4,728,742.27	-2,604,198.91
Total Equity attributable to the Parent Company	125	9,367,877.11	11,492,420.47
Minority shareholders` equity	126	-	-
Total Owner's Equity	127	9,367,877.11	11,492,420.47
Total Liabilities & Owners' Equity	128	19,706,533.11	17,943,310.26

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

Income Statement

FOR THE YEAR ENDED 31 MARCH 2018

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

Items	Line No.	Year ended March 31st, 2018	Year ended March 31st, 2017
1. Gross Operating Income	1	27,723,494.66	22,831,029.03
Operating income	2	27,723,494.66	22,831,029.03
Including ₹ main operations	3	27,723,494.66	22,831,029.03
other operations	4		
Interest income	5	-	-
Earned premiums	6	-	-
Fees and commission income	7	-	-
2. Gross Operating cost	8	30,012,945.74	23,907,370.91
Operating cost	9	10,222,791.04	10,368,168.88
Including ₹ main operations	10	10,222,791.04	10,368,168.88
other operations	11		
Interest expense	12	-	-
Fees and commission expense	13	-	-
Surrender payment	14	-	-
Net compensate	15	-	-
Net extraction of the insurance contract reserve	16	-	-
Policy dividend payment	17	-	-
Reinsurance costs	18	-	-
Tax and surcharge	19	151,972.08	42,033.66
Selling and distribution expenses	20		
General and administrative expenses	21	19,702,585.23	14,470,110.39
Including ₹ Entertainment expenses	22	64,552.11	45,662.99
Research and development expense	23		
Finance expenses	24	-64,402.61	-972,942.02
Including: Interest expenses	25		
Interest income	26	26,478.75	13,643.39
Net foreign exchange loss("-" means "gain")	27	-60,726.34	-974,584.47
Assets impairment losses	28		
Others	29	-	-
Add: gain on the changes in fair value ("-" means "Loss")	30	-	-
Investment income ("-" means "Loss")	31	-	-
Including ₹ Income from investments in associated enterprises and joint ventures	32	-	-
Gain from disposal of assets("-" means "Loss")	33	-	-
Including: gain or loss from disposal of non-current assets in debt restructuring	34	-	-
gain or loss from the exchange of non-monetary assets	35	-	-
Other income	36	130,000.00	-
Including: Government grants	37	130,000.00	-
3. Operating profit: "-" means "Loss" ₹	38	-2,159,451.08	-1,076,341.88
Add:Non-operating income	39	34,907.72	70,000.00
Including:Government grants	40	-	70,000.00
Profits from debt restructuring	41	-	-
Less: Non-operating expenses	42		501.95
Including: Loss from damaged or scraped non-current assets	43		501.95
Losses from debt restructuring	44		
4. Total profit: "-" means "Loss" ₹	45	-2,124,543.36	-1,006,843.83
Less: Income tax	46		348,009.07
5. Net Profit: "-" means "Loss" ₹	47	-2,124,543.36	-1,354,852.90
Net profit from going concern("-" means "Loss"))	48	-2,124,543.36	-1,354,852.90
Net profit from discontinued operation("-" means "Loss"))	49	0.00	0.00
6. Other comprehensive income	50	0.00	0.00
7. Total comprehensive income	51	-2,124,543.36	-1,354,852.90
Total comprehensive income attributable to the Parent Company	52	-2,124,543.36	-1,354,852.90
Total comprehensive income attributable to the minority shareholder	53	-	-
8. Earnings per share:	54	-	-
Basic earnings per share	55	-	-
Diluted earnings per share	56	-	-

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 2018

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

Item	Line No.	As at March 31st, 2018										
		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	-	-	-	-	-2,604,198.91		11,492,420.47		11,492,420.47
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	-	-	-	-	-2,604,198.91		11,492,420.47		11,492,420.47
3. Increase or decrease of Current Period(for decrease filled in "-")	5	-	-	-	-	-	-	-2,124,543.36		-2,124,543.36		-2,124,543.36
(1) Subtotal of comprehensive income	6	-	-			-		-2,124,543.36		-2,124,543.36		-2,124,543.36
(3) Capital invested or reduced by the owners	7	-	-			-		-				
1. Capital invested by the owner	8	-	-			-		-				
2. Payment for shares attributed into owner's equity	9	-	-			-		-				
3. Others	10	-	-			-		-				
(4) Extraction and use of special reserves	11	-	-			-		-				
1. Extraction of special reserves	12	-	-			-		-				
2. Use of special reserves	13	-	-			-		-				
(5) Profit Distribution	14	-	-			-		-		-		-
1. Withdrawal surplus reserve	15	-	-			-		-				
Including：Statutory fund	16	-	-			-		-				
Voluntary reserve	17	-	-			-		-				
Reserve fund	18	-	-			-		-				
Development fund	19	-	-			-		-				
Profit for returing investment	20	-	-			-		-				
2. Extraction of general risk reserve	21	-	-			-		-				
3. Profits distributed to owners (or shareholders)	22	-	-			-		-		-		-
4. Others	23	-	-			-		-				
(6) Internal transfer of owner's equity	24	-	-			-		-				
1. Capital surplus transfer to share capital	25	-	-			-		-				
2. Surplus reserves transfer to share capital	26	-	-			-		-				
3. Surplus reserves covering losses	27	-	-			-		-				
4. Others	28	-	-			-		-				
4. Closing balance of this year	29	14,074,702.40	21,916.98			-		-4,728,742.27		9,367,877.11		9,367,877.11

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 2018

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) Subtotal of comprehensive income	6	-	-			-		-1,354,852.90		-1,354,852.90		-1,354,852.90
(3) Capital invested or reduced by the owners	7	-	-			-		-				
1. Capital invested by the owner	8	-	-			-		-				
2. Payment for shares attributed into owner's equity	9	-	-			-		-				
3. Others	10	-	-			-		-				
(4) Extraction and use of special reserves	11	-	-			-		-				
1. Extraction of special reserves	12	-	-			-		-				
2. Use of special reserves	13	-	-			-		-				
(5) Profit Distribution	14	-	-			-				-		-
1. Withdrawal surplus reserve	15	-	-			-		-				
Including:Statutory fund	16	-	-			-		-				
Voluntary reserve	17	-	-			-		-				
Reserve fund	18	-	-			-		-				
Development fund	19	-	-			-		-				
Profit for returing investment	20	-	-			-		-				
2. Extraction of general risk reserve	21	-	-			-		-				
3. Profits distributed to owners (or shareholders)	22	-	-			-				-		-
4. Others	23	-	-			-		-				
(6) Internal transfer of owner's equity	24	-	-			-		-				
1. Capital surplus transfer to share capital	25	-	-			-		-				
2. Surplus reserves transfer to share capital	26	-	-			-		-				
3. Surplus reserves covering losses	27	-	-			-		-				
4. Others	28	-	-			-		-				
4. Closing balance of this year	29	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

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2018

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

Items	Line No.	Year ended March 31st, 2018	Year ended March 31st, 2017
1. Cash Flows from Operating Activities:	1	—	—
Cash received from sales of goods or rendering of services	2	27,192,003.63	27,919,391.59
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	-	-
Net increase of disposal trading financial assets	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		
Cash received relating to other operating activities	14	191,386.47	83,643.39
Sub-total of cash inflows	15	27,383,390.10	28,003,034.98
Cash paid for goods and services	16	7,501,638.26	14,620,561.64
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	14,291,695.90	11,219,045.23
Payments of taxes and levies	23	1,293,427.79	491,503.60
Cash paid relating to other operating activities	24	4,724,541.41	2,522,730.65
Sub-total of cash outflows	25	27,811,303.36	28,853,841.12
Net Cash Flow from Operating Activities	26	-427,913.26	-850,806.14
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	103,085.47	723,861.10
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	103,085.47	723,861.10
Net Cash Flow from Investing Activities	40	-103,085.47	-723,861.10
3. Cash Flow from Financing Activities	41	—	—
Cash received from capital contributions	42	-	-
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	-	-
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	-	-
4. Effect of Foreign exchange rate changes on cash and cash equivalents	54	-105,124.50	974,584.47
5. Net Increase in Cash and Cash Equivalents	55	-636,123.23	-600,082.77
Add: Opening balance of cash and cash equivalents	56	8,756,978.25	9,357,061.02
6. Ending balance of cash and cash equivalents	57	8,120,855.02	8,756,978.25

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 2018

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.

On June 19th, 2017, the Company approved a resolution of the board of directors on revise the business scope. The Company has a renewal business licence with the union social credit code of 91310000568001786C, approved by Shanghai Administration Bureau for Industry and Commerce on July 28th, 2017.

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, self-owned equipment leasing (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 financial statements have been prepared on the going concern basis. The actual transactions and events are recorded in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC ("the MOF") and relevant principles, and based on the accounting policies and estimates in notes 4 "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, 2018, and the results of operations and cash flows of the Company for the year ended March 31st, 2018.

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 except for fair value measurement on trading financial assets and available for sale financial assets.

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. Financial assets and financial liabilities

(1) Financial assets

Financial assets are classified into four categories according to the purposes of investments and their economic substance: "Financial assets at fair value through profit or loss", "Held-to-maturity investments", "Loan and receivables" and "Available-for-sale financial assets".

1) Financial assets at fair value through profit or loss are those financial assets that have been acquired principally for the purpose of selling in the short terms. They are presented in the balance sheets as "Financial assets held for trading".

2) Held-to-maturity investments are non-derivative financial assets with fixed maturity and fixed or determinable payments that management has positive intention and ability to hold to maturity.

3) Loan and receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

4) Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified as financial assets of any other class at initial recognition.

Financial assets are measured initially at fair value. For financial assets at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets, any related directly attributable transaction costs are included in their initial costs.

A financial asset is derecognized when any one of the following conditions is satisfied: i) the rights to receive cash flows from the asset expire, ii) the financial asset has been transferred and the company transfers substantially all risks and rewards relating to the financial assets to the transferee.

Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently measured at fair value. Loan and receivables and held-to-maturity investments are measured at amortized cost using the effective interest method.

Changes in the fair value of financial assets at fair value through profit or loss are recorded as 'Gain or loss from changes in fair value'. Interest or cash dividends received during the period in which such financial assets are held, are recognized as 'Investment income'. On disposal, the difference between fair value of disposal and initial recorded amount are recognized as 'Gain or loss on Investment' and adjust the gain or loss from changes in fair value accordingly.

Changes in fair value of available-for-sale financial assets are directly recorded in shareholders' equity. Interests for the period in which the assets are held is calculated using the effective interest method is charge to profit or loss for the period as 'Investment income'. Cash dividends declared by the investee company relating to available-for-sale equity instruments are charged to profit or loss for the period as 'Investment income'. Until such financial assets is derecognized, the differences between the consideration received and the carrying amount of assets after deducting the accumulated fair value adjustments previously recorded in equity are charged to profit or loss for the period as 'Investment income'.

When there is a significant or prolonged decline in the fair value of available-for-sale financial assets, the accumulated losses in fair value that was previously directly recorded in shareholder's equity are transferred out and recognized as impairment losses. For the available-for-sale investment on debt instruments which impairment losses have been recognized, if in subsequent period, its fair value increases and the increase is objectively related to an event occurring after the impairment loss was recognized in profit or loss, the previous recognized impairment loss is reversed into profit or loss for the period. For an investment in an equity instrument classified as available-for-sale equity on which impairment loss has been recognized, the increase in its fair value in a subsequent period is directly charged into shareholders' equity. For those equity instruments which have no quotation in the active market and of which the fair value cannot be measured reliably, their losses on impairment cannot be reversed.

(2) Financial liabilities

Financial liabilities of the company are classified as "financial liabilities at fair value through profit or loss" and "other financial liabilities" on initial recognition.

A financial liability is derecognised when the underlying present obligations (or part of it) are discharged. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss for the period.

7. 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.

8. 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.

9. Intangible assets

Intangible assets of the Company include software. Intangible assets are measured at actual cost on acquisition. The cost of intangible assets purchased from outsiders includes purchase prices and other relevant expenditure. The cost of intangible assets injected by investors to the Group is measured at the consideration as specified in the investment contracts or agreements. In the case where the consideration of the contracts or agreements is not a fair value, the assets are measured at its fair value.

The estimated useful life and amortisation method of intangible assets with finite useful life are reviewed at the end of each financial year. Any changes are accounted for as a change in an accounting estimate. The estimated useful life of intangible assets with indefinite useful life is reviewed in each accounting period. Where there are objective evidences that the useful life of the intangible assets become definite, then the useful life of the assets is estimated and amortisation is provided over its estimated useful life.

10. Long-term prepaid expense

Long-term prepaid expense of the Company are expenditures (office Decoration and fire protection) that have been incurred but shall be amortised over the current period and subsequent periods of more than one year. The expenditures are amortised evenly over the estimated beneficial period. If the long-term prepayments are no longer beneficial to the subsequent accounting periods, the unamortised balance is then transferred to profit or loss for the period.

11. Payroll and welfare

Payroll and welfare refers to various forms of remuneration or compensation (except share-based payment) given by the company to obtain services provided by employees or to terminate labour relations. Payroll and welfare includes short-term payroll, after-service benefits, dismissal benefits and other long-term employee benefits. The company provides benefits for employee spouse, children, dependents, deceased employee survivors and other beneficiaries, which are also recognised as payroll and welfare.

(1) Short-term payroll refers to the salary of the staffs that need to be fully paid within twelve months after the end of the annual report of the services provided by the staffs, except the compensation given by the dissolution of labour relationships. The short-term payroll includes employees' salaries, bonus, allowances and subsidies, employees' welfare, medical insurance, employment injury insurance, maternity insurance and other social insurance, housing fund and other short-term payroll.

Short-term payroll is recognised as liabilities during the accounting period when the employee renders services to the company. Short-term payroll is allocated to related cost of assets and expense based on different beneficiaries. The non-monetary welfare of short-term payroll is measured according to the fair value.

(2) After-service benefits refer to the various forms of remuneration and welfare provided by the company for the service provided by the emplouees after retirement or the dissolution of labor relations with the company, with the exception of short-term remuneration and dismissal benefits.

The company's defined contribution plan refers to the payment of basic pension insurance and unemployment insurance for the staffs according to the relevant regulations of the local government. During the accounting period for the employees providing service to the company, the amount should be calculated according to the local regulations and the proportion of the payment, which are recognized as liabilities, and are included in the profit and loss of the current period or the cost of the related assets.

(3) The dismissal benefits refers to the compensation that the company is relieved of labor relations with the employees before the labor contract is due, or to encourage the employees to voluntarily accept the reduction. Although the employees do not dissolve the labor contract with the company but no longer provide service to the company in the future and can not bring economic benefits to the company, the company promises to provide economic compensation in essence with the nature of dismissal. If the "early retirement" situation occurs, it should be dismissal before the positive retirement date. After the official retirement date, it will be disposed of according to the post retirement benefits.

12. 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.

13. Government grants

Government grants refer to the monetary assets or non monetary assets obtained by the Company from the government (but do not include the capital invested by the government as the owner). It is mainly divided into two types, which are sssets-related government grants and income-related government grants.

Assets-related government grants are reducing the book value of related assets or recognised as deferred income. As for assets-related government grants are recognised as deferred income, evenly amortised to profit or loss over the useful life of the related asset according to a rational and systematic method. Government grants are recognised as other income which are related to the daily activities of the company, otherwise, recognized as non operating income.

Assets, which are sold, transferred, scrapped or damaged before the end of useful life, should be transferred the undistributed deferred income balance into the profit or loss of the asset disposal for the period.

Government grants measured at nominal amount should be directly recognised as the profit or loss for the period.

Income-related government grants are processed with the following situations respectively: Income-related government grant that is a compensation for related expenses or losses to be incurred in subsequent periods are recognised as deferred income and also be recognised as profit or loss for the current period or credited to the relevant period when the related expense are incurred; Government grants relating to compensation for related expenses or losses already incurred are charged directly to the profit or loss for the period or credited to the relevant period when the related expense are incurred. According to the business substance, government grants which are related to the daily activities of the company should be recognised as other income or credited to the relevant period when the related expenses are incurred. Otherwise, government grants are recognized as non operating income.

14. 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.

15. 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.

16. 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. DESCRIPTION OF ACCOUNTING POLICY AND ACCOUNTING ESTIMATES CHANGE AND ERROR CORRECTION

(1) Changes of accounting policy and the impact

Ministry of Finance of the PRC ("the MOF") modified Accounting Standards for Business Enterprises No.16—Government Grants in 2017. Revised standards are been implemented since June 12th, 2017. Government grants already existed by January 1st, 2017 requires prospective application. As for the new added government grants between January 1st and June 12th, 2017 are also requires been adjusted by the modified standards.

The impact for the company applies above two standards:

Contents and reasons for changes of the accounting policies	The impacted report item	Total amount of the impacted report item in current period	Restated amount for previous period	Total amount obtained in non operating income for previous period
Government grants are recognised as other income which are related to the daily activities of the company	Other income	130,000.00	-	70,000.00

6. 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.

7. SIGNIFCANT ITEMS IN FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2018

1. Cash and Cash at banks

Item	March 31st, 2018			March 31st, 2017		
	Original currency	Exchange rate	Amount (RMB)	Original currency	Exchange rate	Amount (RMB)
Bank						
RMB	7,732,182.46	1.0000	7,732,182.46	5,946,389.91	1.0000	5,946,389.91
USD	61,810.81	6.2881	388,672.56	407,372.97	6.8993	2,810,588.34
Total			**8,120,855.02**			**8,756,978.25**

2. Accounts receivable

(1) Aging analysis

Item	March 31st, 2018			March 31st, 2017		
	Amount	%	Bad debt	Amount	%	Bad debt
Within 1 year	10,294,046.55	98.95	-	7,644,161.04	93.70	7,644,161.04
1 – 2 years	109,373.35	1.05	-	513,622.03	6.30	513,622.03
Total	**10,403,419.90**	**100.00**	-	**8,157,783.07**	**100.00**	**8,157,783.07**

(2) The policy of bad debt provision can be referred to this note 4.7.

(3) The balance of accounts receivable due from related parties as of March 31st, 2018 was RMB 1,536,286.62, which is 14.77% of the total ending balance.

(4) The balance of foreign currency.

Item	March 31st, 2018			March 31st, 2017		
	Original currency	Exchange rate	Amount (RMB)	Original currency	Exchange rate	Amount (RMB)
USD	12,591.14	6.2881	79,174.35	12,591.14	6.8993	86,870.05
Total			**79,174.35**			**86,870.05**

3. **Prepayments**

(1) **Aging analysis**

Item	March 31st, 2018		March 31st, 2017	
	Amount	%	Amount	%
Within 1 year	113,964.62	64.33	141,260.83	100.00
1 - 2 years	63,185.70	35.67	-	-
Total	**177,150.32**	**100.00**	**141,260.83**	**100.00**

(2) There is no balance of prepayments to related parties.

4. **Other receivable**

(1) **Aging analysis**

Item	March 31st, 2018			March 31st, 2017		
	Amount	%	Bad debt	Amount	%	Bad debt
Within 1 year	330,510.01	58.31	-	259,179.83	99.01	-
1 - 2 years	236,269.82	41.69	-	-	-	-
2 - 3 years	-	-	-	2,600.00	0.99	-
Total	**566,779.83**	**100.00**	-	**261,779.83**	**100.00**	-

(2) The balance as at March 31st, 2018 is mainly the deposit for office rental, staff cash advance and bid bond.

5. **Fixed Assets**

Item	March 31st, 2017	Additions	Deductions	March 31st, 2018
Cost	**586,443.04**	**27,444.45**	-	**613,887.49**
Electronic & Office equipment	586,443.04	27,444.45	-	613,887.49
Accumulated depreciation	**215,826.29**	**109,304.53**	-	**325,130.82**
Electronic & Office equipment	215,826.29	109,304.53	-	325,130.82
Net book value	**370,616.75**			**288,756.67**
Electronic & Office equipment	370,616.75			288,756.67

6. **Intangible assets**

Item	March 31st, 2017	Additions	Deductions	March 31st, 2018
Cost	**75,641.02**	-	-	**75,641.02**
Software	75,641.02	-	-	75,641.02
Accumulated amortisation	**11,787.80**	**25,213.68**	-	**37,001.48**
Software	11,787.80	25,213.68	-	37,001.48
Net book value	**63,853.22**			**38,639.54**
Software	63,853.22			38,639.54

7. **Long-term prepaid expense**

Item	March 31st, 2017	Additions	Deductions	March 31st, 2018
Office Decoration & Fire protection	191,038.31	-	80,106.48	110,931.83
Total	**191,038.31**	-	**80,106.48**	**110,931.83**

8. **Deferred tax assets**

Item	March 31st, 2018	March 31st, 2017
Total	7,860,013.35	4,714,684.98
Including ₹ Over 1 year	**1,625,417.43**	-

(2) The balance of related-party's accounts payable was RMB 5,949,063.53, accounting for 75.69% of total balance.

9. **Accrued Payroll**

Item	March 31st, 2017	Additions	Deductions	March 31st, 2018
Short-term payroll				
Salaries (including bonus, subsidy and allowance)	633,100.37	13,329,914.38	12,364,716.87	1,598,297.88
Social insurance				
Among: Medical insurance	-	449,022.82	449,022.82	
Injury insurance	-	13,732.19	13,732.19	
Maternity insurance	-	44,049.61	44,049.61	
Housing fund	-	384,925.00	384,925.00	
Others	-	54,294.90	54,294.90	
Defined Contribution Plans				
Basic endowment insurance	-	953,024.96	953,024.96	-
Unemployment insurance	-	**27,929.55**	**27,929.55**	-
Total	**633,100.37**	**15,256,893.41**	**14,291,695.90**	**1,598,297.88**

10. **Tax Payable**

Item	March 31st, 2017	Additions	Deductions	March 31st, 2018
Value added tax	99,710.95	1,064,736.37	1,081,387.19	83,060.13
Withholding value added tax	-	494,858.05	494,858.05	-
Enterprise income tax	-	-	-	-
Individual income tax	-	3,532,343.90	3,532,343.90	-
City construction tax	6,979.77	109,171.63	110,337.19	5,814.21
Education surcharge	2,991.33	46,787.84	47,287.37	2,491.80
Local education surcharge	1,994.22	31,191.91	31,524.93	1,661.20
River management fee	997.11	-	997.11	-
Stamp tax		**24,203.70**	**21,894.00**	**2,309.70**
Total	**112,673.38**	**5,303,293.40**	**5,320,629.74**	**95,337.04**

11. **Other Payable**

(1) **Other payable**

Item	March 31st, 2018	March 31st, 2017
Total	**785,007.73**	**990,431.06**
Including: over 1 year	4,523.49	75,422.10

(2) The balance of other payable due to related parties as at March 31st, 2018 was RMB 265,664.43, which is 33.84% of the total ending balance.

12. **Paid–in Capital**

Investor	March 31st, 2017		Additions	Deductions	March 31st, 2018	
	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**

13. Capital Surplus

Item	March 31st, 2017	Additions	Deductions	March 31st, 2018
Capital (Share) premium	21,916.98	-	-	21,916.98
Total	**21,916.98**	-	-	**21,916.98**

14. Undistributed Profits

Item	March 31st, 2018	March 31st, 2017
Opening balance	-2,604,198.91	-1,249,346.01
Additions: Net profit	-2,124,543.36	-1,354,852.90
Deductions: Statutory surplus reserve	-	-
Closing balance	-4,728,742.27	-2,604,198.91
Including: cash dividend to be distributed	-	-

15. Operating income and operating cost

	2018		2017	
Item	**Operating income**	**Operating cost**	**Operating income**	**Operating cost**
Gross operating	27,723,494.66	10,222,791.04	22,831,029.03	10,368,168.88
Service income	27,723,494.66	10,222,791.04	22,831,029.03	10,368,168.88
Total	**27,723,494.66**	**10,222,791.04**	**22,831,029.03**	**10,368,168.88**

16. Finance Expenses

Item	2018	2017
Interest expense	-	-
Deductions: interest income	26,478.75	13,643.39
Additions: foreign exchange loss ("-" means gain)	-60,726.34	-974,584.47
Additions: bank service charge	22,802.48	15,285.84
Total	**-64,402.61**	**-972,942.02**

17. Other income

Item	Type	2018	2017
Government grants related to daily activities	Income-related	130,000.00	-
Total		130,000.00	-

18. Non-operating Income

Item	2017	2016
Individual income tax refund	34,907.72	-
Government grant	-	70,000.00
Total	**34,907.72**	**70,000.00**

19. Non-operating expenses

Item	2018	2017
Scrap of fixed assets	-	501.95
Total	-	**501.95**

20. Income tax

Item	2018	2017
Current year income tax	-	-
Adjustment for previous year income tax	-	-352,357.43
Deferred tax	-	700,366.50
Total	-	**348,009.07**

21. Lease Commitment

As at March 31st, 2018, 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	315,928.50
Total	**1,074,156.90**

22. Cash Flow Statement

(1) Supplementary information of cash flow statement

Item	2018	2017
1. Reconciliation of net loss to cash flows used in operating activities:		
Net profit	-2,124,543.36	-1,354,852.90
Additions: Asset impairment		-
Depreciation of fixed assets, oil and gas assets, and productive biological assets	109,304.53	65,054.06
Amortization of intangible assets	100,854.70	67,236.48
Amortization of long-term prepaid expense	80,106.48	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")	105,124.50	-974,584.47
Losses on investment ("-" means "Gain")	-	-
Decrease in deferred tax assets ("-" means "Increase")	-	700,366.50
Increase in deferred tax liabilities ("-" means "Decrease")	-	-
Decrease in inventory ("-" means "Increase")	-	-
Decrease in operating receivables ("-" means "Increase")	-2,586,526.32	3,553,247.88
Increase in operating payables ("-" means "Decrease")	3,887,766.21	-2,957,056.96
Other		-
Net cash flows from operating activities	-427,913.26	-850,806.14
2. Net increase in cash and cash equivalents:		
Ending balance of cash	8,120,855.02	8,756,978.25
Less: Opening balance of cash	8,756,978.25	9,357,061.02
Net increase in cash and cash equivalents	-636,123.23	-600,082.77

8. 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, 2018	March 31st, 2017	March 31st, 2018	March 31st, 2017	March 31st, 2018	March 31st, 2017
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
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 Singapore	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 Gmbh	Receiving of services
Controlled by the same ultimate holding company	KPIT US	Receiving of services Expenses paid on behalf of the company

B. Due to/from related parties

1. Accounts receivable

Name of related parties	March 31st, 2018	March 31st, 2017
KPIT Infosystems ME FZE Australia	581,830.35	754,761.40
KPIT Infosystems ME FZE Korea	521,393.18	252,958.69
KPIT Technologies Limited Singapore	158,101.92	
KPIT Infosystems Inc.	154,282.81	102,362.25
Sparta Consulting Inc.	120,678.36	210,278.91
KPIT Technologies (UK) Limited	-	228,671.12
KPIT Technologies Limited Japan	-	5,372.97
Total	**1,536,286.62**	**1,554,405.34**

2. Accounts payable

Name of related parties	March 31st, 2018	March 31st, 2017
KPIT Technologies Limited	5,513,678.13	2,541,467.25
KPIT Technologies Gmbh	238,310.97	4,449.00
KPIT US	222,493.43	-
KPIT Infosystems ME FZE Korea	-10,576.00	-10,576.00
KPIT Technologies (UK) Limited	-14,843.00	-14,843.00
KPIT Infosystems Inc.	-	213,164.42
Total	**5,949,063.53**	**2,733,661.67**

3. Other payable

Name of related parties	March 31st, 2018	March 31st, 2017
KPIT Technologies Limited	261,590.94	564,777.54
KPIT US	4,073.49	-
KPIT Infosystems Inc.	-	4,469.44
Total	**265,664.43**	**569,246.98**

C. Related party transactions

1. Rendering of services

Name of related parties	2018	2017
KPIT Infosystems Inc.	1,631,013.56	1,328,030.38
KPIT Infosystems ME FZE Korea	1,144,693.46	181,209.27
KPIT Infosystems ME FZE Australia	605,020.22	712,039.05
Sparta Consulting Inc.	221,150.86	2,493,920.41
KPIT Technologies Limited Singapore	149,152.75	282,889.21
KPIT Technologies (UK) Limited	1,575.00	106,820.23
KPIT Technologies Limited Japan	-	5,068.83
KPIT Technologies Gmbh	-	4,449.42
Total	**3,752,605.85**	**5,114,426.80**

2. Receiving of services and expenses paid by related parties

Name of related parties	2017	2016
KPIT Technologies Limited	9,887,016.10	4,488,976.00
KPIT Technologies Gmbh	233,861.97	-
KPIT US	9,329.01	-
KPIT Infosystems Inc.	-	209,467.37
Total	**10,130,207.08**	**4,698,443.37**

9. CONTINGENCIES

As at March 31st, 2018, the Company does not have any significant contingencies to be disclosed.

10. COMMITMENTS

As at March 31st, 2018, the Company does not have any significant commitments to be disclosed.

11. 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.

12. Approval of Financial Reports

The Company's financial statements as at March 31st, 2018 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 2018.

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 32,198,423 for the year ended 31 March 2018 (31 March 2017 revenue is AED 27,395,122). The net profit for the year is AED 8,462,471 at 26.28% of revenue (31 March 2017 net profit is AED 8,752,797 at 31.95% 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 implementing regulation No.1/2000 issued by Dubai Airport Free Zone Authority pursuant to Law no. (2) of 1996 and its amendment No. (2) of 2000.

Events after the reporting period

There are no significant events after the reporting period affecting 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 2018 and they express their willingness to continue as auditors for the year ending 31 March 2019.

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

22 April 2018

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 **M/s 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 2018, 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 **M/s KPIT Infosystems ME FZE, Dubai Airport Free Zone, Dubai, U.A.E** as at 31 March 2018, 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

23 April 2018

Consolidated Statement of Financial Position

AS AT 31 MARCH 2018

	Notes	31.03.2018	31.03.2017
		AED	AED
Assets			
Non-current assets			
Property, plant and equipment	5	185,602	213,384
Total non-current assets		185,602	213,384
Current assets			
Due from related parties	6	176,362	45,703
Trade and other receivables	7	6,847,463	11,662,074
Cash and bank balances	8	13,054,747	7,373,070
Total current assets		20,078,572	19,080,847
Total assets		**20,264,174**	**19,294,231**
Equity and liabilities			
Equity			
Share capital	1	1,000,000	1,000,000
Retained earnings		12,702,587	4,240,116
Shareholders' current account	9	185,661	185,661
Total equity		13,888,248	5,425,777
Non-current liabilities			
Provision for employees' end of service benefits	10	468,502	172,349
Total non-current liabilities		468,502	172,349
Current liabilities			
Trade and other payables	11	1,496,091	2,225,365
Due to related parties	6	4,411,333	11,470,740
Total current liabilities		5,907,424	13,696,105
Total liabilities		6,375,926	13,868,454
Total equity and liabilities		**20,264,174**	**19,294,231**

For KPIT Infosystems ME FZE

Manager

The notes on pages 10 to 21 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2017

	31.03.2018	31.03.2017
	AED	AED
Cash flows from operating activities		
Net profit for the year	8,462,471	8,752,797
Adjustments for:		
Depreciation	80,483	69,758
Allowance for doubtful debts	265,825	-
Finance cost	58,511	248,351
Provision for employees' end of service benefits	296,153	(60,967)
Cash flows before working capital changes	9,163,443	9,009,939
Changes in:		
Due from related parties	(130,659)	82,570
Trade and other receivables	4,548,786	(3,842,490)
Trade and other payables	(729,274)	(1,007,623)
Due to related parties	(7,059,407)	(4,163,039)
Margin money deposits	735,399	-
Net cash from operating activities	6,528,288	79,357
Cash flows from investing activities		
Additions to property, plant & equipment	(52,701)	(55,601)
Net cash used in investing activities	(52,701)	(55,601)
Cash flows from financing activities		
Finance cost	(58,511)	(248,351)
Net cash used in financing activities	(58,511)	(248,351)
Net increase/(decrease) in cash and cash equivalents	6,417,076	(224,595)
Cash and cash equivalents at the beginning of the year	6,043,288	6,267,883
Cash and cash equivalents at the end of the year	**12,460,364**	**6,043,288**
Cash and cash equivalents comprise of:		
Cash at bank	12,460,364	6,043,288
	12,460,364	**6,043,288**

The notes on pages 10 to 21 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	31.03.2018	31.03.2017
		AED	AED
Revenue	12	32,198,423	27,395,122
Cost of consultancy services	13	(12,492,466)	(9,275,551)
Staff cost		(8,005,816)	(7,258,319)
General & administration expenses	14	(3,187,689)	(2,149,040)
Finance cost	15	(58,511)	(248,351)
Other income		8,530	288,936
Profit for the year		**8,462,471**	**8,752,797**
Other comprehensive income		-	-
Total comprehensive income for the year		8,462,471	8,752,797

The notes on pages 10 to 21 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2018

	Share capital	Retained earnings/ (Accumulated losses)	Shareholder's current account	Total
	AED	AED	AED	AED
Balance as at 1 April 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**
Total comprehensive income for the year		8,462,471		8,462,471
Balance as at 31 March 2018	**1,000,000**	**12,702,587**	**185,661**	**13,888,248**

The notes on pages 10 to 21 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 issued on 13th June 2014. 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 2017 to 31 March 2018.

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

2.1 New standards, interpretations and amendments effective from January 1, 2017

The following new and revised IFRSs have been adopted in these financial statements.

- IAS 7 'Disclosure Initiative'
- IAS 12, Recognition of deferred tax assets for unrealized losses
- Annual improvements 2014 - 2016 cycle – Amendments to IFRS 12, Disclosure of interests in other entities

2.2 New standards, interpretations and amendments not yet effective

The company has not applied the following new and revised IFRSs that have been issued but are not yet effective for annual periods beginning on or after January 1, 2017. The adoption in the relevant accounting period is purely optional and will have require relevant disclosures with in the financial statements.

- IFRS 9 'Financial instruments (2009)'
- IFRS 9 'Financial instruments (2010)'
- IFRS 9 'Financial instruments (2013)' (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)
- IFRS 9 'Financial instruments (2014)' 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 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 9 'Financial Instruments' (Effective for annual periods beginning on or after January 1, 2019)
- IFRS 16 'Leases'(Effective for annual periods beginning on or after January 1, 2019):
- IAS 28 'Long term interests in Associates and Joint ventures'(Effective for annual periods beginning on or after January 1, 2019)
- IFRS 17 'Insurance contracts' (Effective for annual periods beginning on or after January 1, 2021)

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

The company 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. These are optional and it is anticipated that their adoption in the relevant accounting periods will require relevant disclosures with in the financial statements.

- IFRS 1 'First-time Adoption of International Financial Reporting Standards
- IAS 28 'Investments in Associates and Joint Ventures'

2.4 Annual Improvements to IFRSs 2015-2017 Cycle (Effective for annual periods beginning on or after January 1, 2019)

The company 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, 2019. These are optional and it is anticipated that their adoption in the relevant accounting periods will require necessary disclosures with in the financial statements.

- IAS 12 'Income tax consequences of dividends'
- IAS 23 'Borrowing costs eligible for capitalization'
- IFRS 3 'Business combinations'
- IFRS 11 'Joint arrangements

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	Leasehold Improvements	Total
	AED	AED	AED	AED	AED	AED	AED
Cost							
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
Disposals		-	-	-	-	-	-
Balance at 31 March 2017	**3,702**	**217,562**	**37,000**	**20,574**	**275,127**	**-**	**553,965**
Additions		14,847			19,893	17,961	52,701
Disposals	(3,240)			(20,574)			(23,814)
Balance at 31 March 2018	**462**	**232,409**	**37,000**	**-**	**295,020**	**17,961**	**582,852**
Accumulated depreciation							
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
Depreciation expense	46	28,640			45,818	5,979	80,483
On disposal	(3,240)			(20,574)			(23,814)
Balance at 31 March 2018	**69**	**102,005**	**37,000**	**-**	**252,197**	**5,979**	**397,250**
Carrying amounts							
As at 31 March 2018	**393**	**130,404**	**-**	**-**	**42,823**	**11,982**	**185,602**
As at 31 March 2017	**439**	**144,197**	**-**	**-**	**68,748**		**213,384**

6 RELATED PARTY TRANSACTIONS

	31.03.2018	31.03.2017
	AED	AED
Due from related parties		
KPIT Infosystems Incorporated, USA	113,449	45,703
KPIT Technologies Japan Branch	46,541	-
KPIT Technologies GmbH	16,372	-
	176,362	**45,703**
Due to related parties		
KPIT Technologies Limited, India	3,561,238	3,161,139
KPIT(Shanghai) Software Technology Co Ltd	647,269	604,067
KPIT Technologies Ltd Singapore Branch	191,746	288,897
SYSTIME Computer Corporation	-	106,875
KPIT Technologies Corporations, Canada	10,141	27,573
KPIT Technologies, France	902	902
KPIT Technologies(UK) Limited	37	525
SYSTIME Computer Corporation, USA	-	7,280,762
	4,411,333	**11,470,740**

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:

	31.03.2018	31.03.2017
	AED	AED
Interest on loan from related party	58,511	248,351

7 TRADE AND OTHER RECEIVABLES

	31.03.2018	31.03.2017
	AED	AED
Trade receivables	7,354,257	12,106,268
Less: allowance for doubtful debts	(793,247)	**(734,590)**
	6,561,010	**11,371,678**
Staff advances	6,391	4,391
Deposits	140,644	113,424
Prepayments	128,769	71,824
Other receivables	10,649	100,757
	6,847,463	**11,662,074**

Age wise analysis of trade receivables

	31.03.2018	31.03.2017
	AED	AED
Less than 3 months	5,851,010	9,050,325
3 - 6 months	1,011,505	1,720,790
More than 6 months	491,742	1,335,153
	7,354,257	**12,106,268**

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

b) 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.

	31.03.2018	31.03.2017
	AED	AED
Movement in the allowance for doubtful debts		
Balance at the beginning of the year	734,590	1,038,144
Additional allowance during the year	265,825	38,099
Adjustments/transfers	(207,168)	-
Amounts recovered during the year	-	(341,653)
	793,247	**734,590**

8 CASH AND BANK BALANCES

	31.03.2018	31.03.2017
	AED	AED
Cash at bank	12,460,364	6,043,288
Margin money deposits	594,383	1,329,782
	13,054,747	**7,373,070**

9 SHAREHOLDER'S CURRENT ACCOUNT

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

10 LOAN FROM RELATED PARTY

	31.03.2018	31.03.2017
	AED	AED
Opening balance	172,349	233,316
Charges for the year	312,994	74,151
Less: payments during the year	(16,841)	(135,118)
	468,502	**172,349**

11 TRADE AND OTHER PAYABLES

	31.03.2018	31.03.2017
	AED	AED
Trade payable	195,886	239,942
Deferred revenue	74,418	148,856
Provisions and accrued expenses	1,126,438	771,896
Provisions for software consultancy charges	74,268	954,898
Other payable	25,081	109,773
	1,496,091	**2,225,365**

12 REVENUE

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

13 COST OF CONSULTANCY SERVICES

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

14 GENERAL & ADMINISTRATION EXPENSES

	31.03.2018	31.03.2017
	AED	AED
Travelling and conveyance	722,263	413,915
Legal, visa, professional and other charges	661,588	449,385
Business promotion	224,616	265,600
Rent	303,441	288,097
Insurance	171,348	167,865
Communication	103,384	105,975
Bank charges	49,559	101,733
Printing & stationery	4,050	7,585
Maintenance	39,911	47,991
Foreign exchange difference	119,608	91,479
Miscellaneous expenses	59,070	102,115
Bad debts	382,543	38,099
Allowance for doubtful debts	265,825	-
Depreciation	80,483	69,201
	3,187,689	**2,149,040**

15 FINANCE COST

Finance cost includes interest on loan from related party.

16 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 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.

17 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	31.03.2018	31.03.2017
	AED	AED
Letters of guarantee	**594,383**	**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.

18 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 Eighth Annual Report together with the Audited Accounts of the Company for the financial year ended March 31, 2018.

Performance of the Company

The financial results are as under:-

(₹ in million)

Particulars	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
Profit / (Loss) before Tax	(30.42)	(90.72)
Profit / (Loss) after Tax	(30.42)	(90.72)
Other Comprehensive Income	0.17	(0.32)
Total comprehensive income for the period	(30.25)	(91.04)

Project implementation

The government's focus continues on public transport, hence, the Company is also focusing on buses. During the year under review, the REVOLO EV bus system activities have progressed further. REVOLO powered electric buses have completed more than 200,000 kms of running and the 9-meter AC electric bus developed in partnership with Eicher Trucks and Buses has received the 'homologation certification' to be deployed on Indian roads. Eicher and KPIT jointly announced the 'technology partnership' via a joint press release that spoke about the new electric bus from Eicher the "SKYLINE PRO – E" with the electrification technology REVOLO. BEST Mumbai has selected this bus for its tender of 40 AC electric buses. The tender is a Gross Cost Model (GCC) where BEST pays on a 'per km' basis or OPEX basis. Overall the market interest in electric buses is growing and getting quite serious both in the public sector as well as in the private sector.

KPIT's telematics system complying to AIS-140 (Automotive Industry Standard-140) was the first to be homologated by ARAI (Automotive Research Association of India) during February 2018. Shipments to multiple vehicle makers began during March 2018 as the regulation roll-out date was notified by Government of India to be April 1, 2018. However, on April 19, 2018, the Government decided to postpone the roll-out to April 1, 2019. Therefore, KPIT is now actively exploring several partnership opportunities within India and South East Asia to find applications for this newly developed telematics system.

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 3,67,50,000 equity shares of ₹ 10/- each, fully paid, aggregating to ₹ 367.50 million to the existing member of the Company, thereby increasing the paid-up share capital.

Information about the subsidiary 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 subsidiary 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, Mr. Pushpahas Joshi was appointed as an Additional Director of the Company with effect from March 20, 2018. Mr. Pushpahas Joshi holds the said office till the date of ensuing Annual General Meeting of the Company. The proposal for his appointment as a director of the Company is being put up in the ensuing Annual General Meeting of the Company.

Further, Mr. Anup Sable has resigned from the post of Directorship with effect from March 20, 2018. The Board places on record its appreciation for the valuable services rendered by Mr. Anup Sable during his tenure.

Pursuant to Article 108 of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Kishor Patil retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for 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 till April 25, 2018;

(b) Mr. Anil Patwardhan – Chief Financial Officer till April 25, 2018; and

(c) Ms. Meghana Phadnis – Company Secretary.

During the year, Ms. Meghana Phadnis was appointed as a Company Secretary with effect from April 23, 2017 consequent to resignation of Ms. Jaimeetkaur Sial. Mr. Anil Patwardhan resigned from the post of Chief Financial Officer of the Company and Mr. Vinit Teredesai was appointed as a Chief Financial Officer of the Company with effect from April 26, 2018. Further, Mr. Sunil Gandhi resigned from the post of Manager and Ms. Sumedha Nashikkar was appointed as the Manager with effect from April 26, 2018, subject to approval of the shareholders in the ensuing Annual General Meeting of the Company. The Board places on record its appreciation for the valuable services rendered by these Key Managerial Personnel during their tenure.

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 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 Reshma Sarda-Vayase & Associates, Practicing Company Secretary, as the Secretarial Auditor 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".

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a policy on prevention of sexual harassment and has put in place a redressal mechanism for resolving complaints received with respect to sexual harassment and discriminatory employment practices. No case of sexual harassment and discriminatory employment was reported during the financial year under review.

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

Five meetings of the Board of Directors were held during the year under review i.e. on April 22, 2017, July 18, 2017, October 30, 2017, January 23, 2018 & March 9, 2018. The intervening gap between the meetings was within the period prescribed under Section 173(1) of the Companies Act, 2013.

Committees of the Board

The Company has duly constituted the Audit Committee. Ms. Lila Poonawalla chairs this Committee, Mr. Adi Engineer and Mr. Kishor Patil are the other members of the Committee. The Audit Committee met twice during the year i.e. on April 22, 2017 and October 30, 2017. During the year, all the recommendations of the Audit Committed were accepted by the Board.

The Committee has also set up Nomination & Remuneration Committee. Mr. Adi Engineer is the Chairman of this Committee, Ms. Lila Poonawalla and Mr. Kishor Patil are the other members. The Committee met twice during the year i.e. on April 22, 2017 and January 23, 2018.

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 the following investment, 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	Yantra Digital Services Private Limited	Investment in equity shares	NA	NA	169.55	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 14, 2018, 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.

Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India ('ICSI'), one of the premier professional bodies in India, has issued 10 Secretarial Standards. Out of which 3 Secretarial Standards have been made mandatory as per the provisions of the Companies Act, 2013. The Company adheres by these standards.

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, 2018, 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, 2018 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 25, 2018

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

(₹ in million)

Sr. No.	Name of the subsidiary	Yantra Digital Services Private Limted
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	₹
3	Share capital	0.12
4	Reserves & surplus	30.39
5	Total assets (excluding 9 below)	434.48
6	Total liabilities (excluding 5 & 6 above)	403.97
7	Investments (except in case of investment in subsidiaries)	-
8	Turnover	91.67
9	Profit / (Loss) before taxation	(136.56)
10	Provision for taxation	-
11	Profit / (Loss) after taxation	(136.56)
12	Proposed Dividend	-
13	% of shareholding	58.33%

Please mention the following:

1. Names of subsidiaries which are yet to commence operations: NA.
2. Names of subsidiaries which have been liquidated or sold during the year: NA.

Part "B": Associates and Joint Ventures : NIL

For and on behalf of the Board of Directors

Pune
April 25, 2018

Kishor Patil
Chairman

Annexure 2

SECRETERIAL AUDIT REPORT

(FORM NO. MR-3)

FOR THER FINANCIAL YEAR ENDED 31ST MARCH 2018

[Pursuant to section 204[1] of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel)Rules, 2014]

To,
The Members of,
Impact Automotive Solutions Limited.
35 & 36, Rajiv Gandhi Infotech Park,
Phase - I,MIDC, Hinjawadi,
Pune -411057.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Impact Automotive Solutions Limited (CIN U35923PN2010PLC137191) (hereinafter called "the Company").** Secretarial audit was conducted in a manner that provided me, a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of thebooks, 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 authorized representatives during the conduct of secretarial audit;

I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018, complied with 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Impact Automotive Solutions Limited** for the financial year ended on 31st March 2018, according to the provisions of:

i) The Companies Act, 2013(the act) and rules made thereunder;

ii) The Securities Contracts [Regulation] Act, 1956 [SCRA] and the rules made thereunder- **Not applicable to the Company during the Audit period.**

iii) The Depositaries Act, 1996 and the regulations and Bye- laws formed thereunder- **Not applicable to the Company during the Audit period.**

iv) Foreign Exchange Management Act, 1999 and regulations and bye-laws formed there under 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 Acquisitions 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 - **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 - **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) **I further report that,** having regard to the compliance system prevailing in the Company and on examination of relevant reports and certificates produced by the management in pursuance thereof, The Company has complied with all the following laws applicable specifically to the Company;

a) Labour Laws

b) Income Tax & other related statutes

c) All provisions of Employee, Medical and corporate Insurance

d) Immigrations Laws

e) Corporate Statutes

f) Information Technology Statutes

I have also examined the compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with stock exchanges[s]- **Not applicable to the Company during the Audit period.**

During the period under review the Company has compiled with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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 provision of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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 the board meetings and committee meetings were carried out unanimously as recorded in the respective minutes of the meetings.

I further report that, there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period the Company had following events/ actions having bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1) Raised Equity share capital by way of right issue, for its business requirements.

2) Investment in an Associate Company by way of Equity share contribution resulted in making it Subsidiary to the Company.

For Reshma Sarda-Vayase & Associates,
Company Secretaries.

Date: 23-04-2018
Place: Pune.

Cs Reshma Sarda-Vayase (Prop.)
FCS-5754 CP No.- 4388

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. In view of this, we have a team working within the Company to optimize the energy consumption. The Company has been continually rewarded by the Maharashtra State Electricity Distribution Company Limited for maintaining the power factor to "1". The employees are adequately trained to conserve energy. Further, our flagship products; the Intelligent Transportation Systems (ITS) and Vehicle Tracking Systems (VTS) being used in the market help in energy conservation, indirectly.

(ii) Steps taken by the Company for utilizing alternate sources of energy

The Company has successfully developed electric buses. These buses use 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 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)

	2017-18	2016-17
Foreign Exchange earned	-	0.66
Foreign Exchange outgo	0.83	121.58

For and on behalf of the Board of Directors

Pune
April 25, 2018

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 theBoard.

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 andRule 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)
Yantra Digital Services Private Limited	Sale of component	Ongoing Transaction	₹ 220.78 Million	Not required. Transaction was entered in ordinary course of business and therefore, approval by the Board was not required.	Nil
Yantra Digital Services Private Limited	License fees	One time Transaction	₹ 120 Million	July 18, 2017.	Nil
Yantra Digital Services Private Limited	Sale of Service	Ongoing Transaction	₹ 5.22 Million	Not required. Transaction was entered in ordinary course of business and therefore, approval by the Board was not required.	Nil

For and on behalf of the Board of Directors

Pune
April 25, 2018

Kishor Patil
Chairman

Annexure 7

Form MGT-9

Extract of Annual Return

as on the financial year ended March 31, 2018

[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 SolutionsLimited
iv)	Category/Sub-Category of the Company	:	Public Company/Limited by shares
v)	Address of the Registered office and Contact details	:	35 & 36, Rajiv GandhiInfotech 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 andTransfer 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	Subsidiary	58.33	2(87)(ii)

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	-	99,999,994	99,999,994	100	-	136,749,994	136,749,994	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)	**-**	**100,000,000**	**100,000,000**	**100**	**-**	**136,750,000**	**136,750,000**	**100**	**-**
(2)	**FOREIGN**									
A	NRIs – Individuals	-	-	-	-	-	-	-	-	-
B	Other – Individuals	-	-	-	-	-	-	-	-	-
C	Bodies Corporate	-	-	-	-	-	-	-	-	-

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	
D	Banks & FII	-	-	-	-	-	-	-	-	-
E	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	TOTAL SHAREHOLDING OF PROMOTERS (A) = (A)(1) + (A)(2)	-	**100,000,000**	**100,000,000**	**100**	-	**136,750,000**	**136,750,000**	**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)	-	**100,000,000**	**100,000,000**	**100**	-	**136,750,000**	**136,750,000**	**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	99,999,994	100	-	-	136,749,994	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	-	-	-	-

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	
7	Mr. Chinmay Pandit (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
	Total	**100,000,000**	**100**	-	-	**136,750,000**	**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	99,999,994	100	99,999,994	100
	Increase/Decrease during the year				
	Allotment on March 19, 2018	3,67,50,000	36.75	136,749,994	100
	At the end of the year			136,749,994	100
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
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)				

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
	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

***ceased to be a director w.e.f March 20, 2018.**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment is as follows:

(Amount in ₹ million)

For each of the Directors and KMP	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii +iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	101.33	-	101.33
• Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	-	100.00	-	100.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1.33	-	1.33
Total (i + ii + iii)	**-**	**101.33**	**-**	**101.33**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to the Manager:

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	7.15	7.15
	(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)	**7.15**	**7.15**
	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:**

(₹ 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	0.025	0.135
	• Commission	-	-	-	-
	• Others	-	-	-	-
	Total (1)	**0.055**	**0.055**	**0.025**	**0.135**
Sr. No.	**Particulars of Remuneration**	**Kishor Patil**	**Pushpahas Joshi***	**Chinmay Pandit**	**Total**
2	Other Non-Executive Directors				
	• Fee for attending board/ committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1+2)	**0.135**			
	Total Managerial Remuneration	**7.285**			
	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.			

*Mr. Pushpahas Joshi was appointed as an Additional Director with effect from March 20, 2018 consequent to resignation of Mr. Anup Sable.

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 2017-18.

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 25, 2018

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 Ltd ('the Company') as at March 31, 2018 which comprise of the Balance Sheet as at March 31, 2018, Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

   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 and presentation of the standalone financial statements that give a 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 standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

   We conducted our audit of the standalone financial statements 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 standalone 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, 2018;

   b. In the case of Statement of Profit and Loss Account, of the Loss, Total Comprehensive Income, 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.

   e) On the basis of written representations received from the directors of the company as at March 31, 2018, 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 2018 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 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 oncharge 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 companyis 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, andaccording to the information and explanations given to us, no there are no undisputed amounts payable in respect of the aforesaid dues were outstanding as 31stMarch,2018 for a period of more than six months from the date of becoming payable other that the one listed below.

- Income Tax Foy A.Y. 2012-13Tax Demand of Rs. 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) No 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) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards

(xiv) The company has made preferential allotment of shares during the year and the allotment has been done at par.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company

(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

Proprietor
Harish Lalwani
M. No. 039223

Place: Pune
Dated: 25th April 2018

Balance Sheet

as at 31 March 2018

(Amount in ₹ million)

	Note	31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2A	40.49	17.44
Capital work-in-progress		0.16	2.28
Intangible assets	2B	0.24	2.41
Financial assets			
Investments	3	179.60	10.05
Loans	4	14.25	13.20
Others	5	12.73	10.36
Income Tax asset (Net)		3.41	1.38
Other non-current assets	6	2.39	3.97
		253.27	**61.09**
Current assets			
Inventories	7	210.90	358.49
Financial assets			
Trade receivables	8	239.29	229.05
Cash and Cash equivalent	9	14.44	132.35
Other Bank Balances	9	345.99	64.88
Loans	10	21.47	21.19
Unbilled revenue		4.73	-
Others	11	1.38	0.57
Other current assets	12	61.23	110.73
		899.43	917.26
TOTAL		**1,152.70**	**978.35**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1,367.50	1,000.00
Other equity		(433.75)	(403.52)
		933.75	**596.48**
Non-current liabilities			
Provisions	14	2.04	1.71
Borrowings	15	101.33	-
		103.37	**1.71**
Current liabilities			
Financial liabilities			
Trade payables	16	84.08	227.47
Other	17	12.55	6.50
Other current liabilities	18	18.14	144.97
Provisions	19	0.81	1.22
Income Tax liabilities (Net)		-	-
		115.58	380.16
TOTAL		**1,152.70**	**978.35**
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

For and on behalf of the Board of Directors of IMPACT AUTOMOTIVE SOLUTIONS LIMITED

Harish Lalwani
Proprietor
Membership No. 039223

Kishor Patil
Chairman
DIN: 00076190

Chinmay Pandit
Director
DIN: 07109290

Anil Patwardhan
Chief Financial Officer

Meghana Phadnis
Company Secretary

Place: Pune
Date: 25 April 2018

Place: Pune
Date: 25 April 2018

Statement of Profit and Loss

for the year ended on 31 March 2018

(Amount in ` million)

	Note	31 March 2018	31 March 2017
INCOME			
Revenue from operations :	20		
Sale of products (gross)		576.94	270.66
Sale of services		147.01	7.70
Other operating revenue		2.48	0.76
Other income	21	20.99	16.81
Total revenue		**747.42**	**295.93**
EXPENSES			
Cost of materials consumed	22	380.90	341.90
Changes in inventories of finished goods and work-in-progress	23	83.38	(113.23)
Employee benefits expense	24	59.89	54.69
Finance costs		1.48	-
Depreciation and amortization	2	8.36	15.48
Other expenses	25	243.83	87.81
Total expenses		**777.84**	**386.65**
Profit before exceptional items and tax		**(30.42)**	**(90.72)**
Exceptional items		-	-
Profit before tax		**(30.42)**	**(90.72)**
Tax expenses		-	-
Profit for the year		**(30.42)**	**(90.72)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		0.17	(0.32)
Total comprehensive income for the period		**(30.25)**	**(91.04)**
Earnings per equity share for continuing operations (face value per share ₹ 10 each)			
Basic	37	(0.30)	(1.24)
Diluted	37	(0.30)	(1.24)
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

For and on behalf of the Board of Directors of IMPACT AUTOMOTIVE SOLUTIONS LIMITED

Harish Lalwani
Proprietor
Membership No. 039223

Kishor Patil
Chairman
DIN: 00076190

Chinmay Pandit
Director
DIN: 07109290

Anil Patwardhan
Chief Financial Officer

Meghana Phadnis
Company Secretary

Place: Pune
Date: 25 April 2018

Place: Pune
Date: 25 April 2018

Statement of Cash Flows

for the year ended on 31 March 2018

(Amount in ` million)

		31 March 2018	31 March 2017
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net comprehensive income before extraordinary items and tax	(30.42)	(90.72)
	Adjustments for:		
	Depreciation and amortisation	8.36	15.48
	(Profit)/ Loss on sale of asset (net)	-	(0.02)
	Interest Expense	1.48	-
	Interest income	(6.97)	(8.66)
	Unrealised foreign exchange loss/(gain)	0.62	0.53
	Operating Profit before working capital changes	(26.93)	(83.39)
	Adjustments for changes in working capital:		
	(Increase) / decrease in Inventories	147.59	(285.67)
	(Increase) / decrease in Trade Receivable	(10.24)	(161.36)
	(Increase) / decrease in Loans, other financial asset,unbilled reveune & other assets	44.40	(79.16)
	Increase / (decrease) in Trade payables	(144.01)	120.85
	Increase / (decrease) in Provisions, other financial liability & other liabilities	(122.70)	101.36
	Cash generated from operations	(111.89)	(387.37)
	Income taxes (paid) / refunds	(2.03)	(0.18)
	Net cash from/ (used in) operating activities (A)	**(113.92)**	**(387.55)**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(24.68)	(9.64)
	Proceeds from sale of fixed assets	0.21	0.36
	Interest received	5.49	7.88
	Investment in Preference shares of Lithium Urban Technologies	-	(10.00)
	Investment in Equity shares of Yantra Digital Services Pvt. Ltd.	(169.55)	(0.05)
	Fixed Deposit with banks (net) having maturity over three months	(282.81)	(70.00)
	Net cash flow from / (used in) investing activities (B)	**(471.34)**	**(81.45)**
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Loan (given to) / repaid by related parties	100.00	-
	Interest and finance charges	(0.15)	-
	Proceeds from issue of equity shares	367.50	500.10
	Net cash flow from / (used in) financing activities (C)	**467.35**	**500.10**
	Net Increase / (decrease) in cash and cash equivalents (A + B + C)	**(117.91)**	**31.10**
	Cash & cash equivalents at close of the year (Refer note 1 below)	14.44	132.35
	Cash & cash equivalents at beginning of the year (Refer note 1 below)	132.35	101.25
	Cash Surplus / (deficit) for the year	**(117.91)**	**31.10**
	Note 1 :		
	Cash and cash equivalents include:		
	Cash on hand	-	-
	Cheques in Hand	-	6.05
	Balance with banks		
	- In current accounts	14.44	16.30
	- In deposit accounts (with original maturity of 3 months or less)	-	110.00
	Other bank balances		
	Total Cash and cash equivalents	**14.44**	**132.35**

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.

As per our report of even date attached

For Harish K. Lalwani & Associates
Chartered Accountants
Firm Registration Number: 103507W

Harish Lalwani
Proprietor
Membership No. 039223

Place: Pune
Date: 25 April 2018

For and on behalf of the Board of Directors of IMPACT AUTOMOTIVE SOLUTIONS LIMITED

Kishor Patil
Chairman
DIN: 00076190

Chinmay Pandit
Director
DIN: 07109290

Anil Patwardhan
Chief Financial Officer

Meghana Phadnis
Company Secretary

Place: Pune
Date: 25 April 2018

Statement of changes in equity

for the year ended 31 March 2018

(Amount in ₹ million)

A	Equity share capital	
	Balance as at 31 March 2017	**1,000.00**
	Changes in equity share capital during 2017-18	367.50
	Balance as at 31 March 2018	**1,367.50**

B Other equity

	Retained earnings	Remeasurement of the net defined benefit Plans	Total
Balance as on 01 April 2017	**(402.44)**	**(1.06)**	**(403.50)**
Profit for the year	(30.42)	-	(30.42)
Other comprehensive income	-	0.17	0.17
Total comprehensive income for the year	**(30.42)**	**0.17**	**(30.25)**
Balance as on 31 March 2018	**(432.86)**	**(0.89)**	**(433.75)**

As per our report of even date attached

For Harish K. Lalwani & Associates
Chartered Accountants
Firm Registration Number: 103507W

Harish Lalwani
Proprietor
Membership No. 039223

Place: Pune
Date: 25 April 2018

For and on behalf of the Board of Directors of IMPACT AUTOMOTIVE SOLUTIONS LIMITED

Kishor Patil
Chairman
DIN: 00076190

Chinmay Pandit
Director
DIN: 07109290

Anil Patwardhan
Chief Financial Officer

Meghana Phadnis
Company Secretary

Place: Pune
Date: 25 April 2018

Notes forming part of the financial statements

as at 31 March 2018

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.

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.

2A 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 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	-	0.13	-	0.34	-	0.47
Gross carrying amount as at 31 March 2017	**18.36**	**14.58**	**2.32**	**2.53**	**2.14**	**39.93**
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	-	0.02	-	0.11	-	0.13
Accumulated depreciation as at 31 March 2017	**17.28**	**2.78**	**0.59**	**1.53**	**0.31**	**22.49**
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**	**2.14**	**17.44**
Gross carrying amount as at 1 April 2017	**18.36**	**14.58**	**2.32**	**2.53**	**2.14**	**39.93**
Additions	-	19.05	0.70	6.28	3.41	29.44
Disposal/retirements/derecognition	-	0.18	-	0.48	-	0.66
Gross carrying amount as at 31 March 2018	**18.36**	**33.45**	**3.02**	**8.33**	**5.55**	**68.71**
Accumulated depreciation as at 1 April 2017	**17.28**	**2.78**	**0.59**	**1.53**	**0.31**	**22.49**
Depreciation	0.18	2.74	0.40	2.39	0.48	6.19
Disposal/retirements/derecognition	-	0.07	-	0.38	-	0.45
Accumulated depreciation as at 31 March 2018	**17.46**	**5.45**	**0.99**	**3.54**	**0.79**	**28.23**
Carrying amount as at 1 April 2017	**1.08**	**11.80**	**1.73**	**1.00**	**1.83**	**17.44**
Carrying amount as at 31 March 2018	**0.90**	**28.00**	**2.03**	**4.79**	**4.76**	**40.49**

2B 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 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**
Gross carrying amount as at 1 April 2017	**9.51**	**1.03**	**10.54**
Additions	-	-	-
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2018	**9.51**	**1.03**	**10.54**
Accumulated depreciation as at 1 April 2017	**7.60**	**0.53**	**8.13**
Depreciation	1.91	0.26	2.17
Disposal/retirements/derecognition	-	-	-
Accumulated depreciation as at 31 March 2018	**9.51**	**0.79**	**10.30**
Carrying amount as at 1 April 2017	**1.91**	**0.50**	**2.41**
Carrying amount as at 31 March 2018	**0.00**	**0.24**	**0.24**

(Amount in ₹ million)

		31 March 2018	31 March 2017
3	**Non current investments**		
	Non-trade Investments (Unquoted)		
	Investments in Preference shares of Lithium Urban Technologies	10.00	10.00
	10,000 (Previous year 10,000) preference shares of ` 1,000 each fully paid		
	Investments in Equity shares of Yantra Digital Services Pvt. Ltd.	169.60	0.05
	7,000 (Previous year 5,000) equity shares of ` 10 each fully paid		
		179.60	10.05
4	**Loans**		
	(Unsecured, considered good unless otherwise stated)		
	Security deposits	14.25	13.20
		14.25	**13.20**
5	**Other financial assets**		
	(Unsecured, considered good unless otherwise stated)		
	Fixed deposits with banks	11.85	10.15
	Interest accrued on fixed deposits	0.88	0.21
		12.73	**10.36**
6	**Other non-current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Capital advances	1.27	1.89
	Advance rentals	1.12	2.08
		2.39	**3.97**
7	**Inventories**		
	(Valued at the lower of cost and net realisable value)		
	Raw materials	147.75	214.01
	Work-in-progress	7.91	1.30
	Finished goods	49.43	139.42
	Stores and spares	5.81	3.76
		210.90	**358.49**
8	**Trade receivables**		
	(Unsecured)		
	- Considered good	239.29	229.05
	- Considered doubtful	64.83	0.29
		304.12	**229.34**
	Less: Provision for doubtful trade receivables	64.83	0.29
		239.29	**229.05**
9	**Cash and bank balances**		
	Cash and cash equivalents	-	-
	Cheques in hand	-	6.05
	Balances with banks		
	- In current accounts	14.44	16.30
	- In deposit accounts(with original maturity of 3 months or less)	-	110.00
		14.44	132.35
	Other bank balances		
	- In Deposit Account with remaining maturity of less than 12 months	345.99	64.88
		360.43	**197.23**

(Amount in ₹ million)

		31 March 2018	31 March 2017
10	**Loans**		
	(Unsecured, considered good unless otherwise stated)		
	Loans and advances to related parties		
	- Dues from related parties (Refer note 34)	-	0.01
	Loans and advances to other than related parties		
	Other loans and advances		
	- Employee advances	0.07	0.25
	- Security deposits	10.91	10.43
	- Other receivables	10.49	10.50
		21.47	**21.19**
11	**Other current financials assets**		
	(Unsecured, considered good unless otherwise stated)		
	Interest accrued on fixed deposits	1.38	0.57
		1.38	**0.57**
12	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Advance rentals	0.96	0.96
	Balances with statutory authorities	57.84	86.45
	Advance to suppliers		
	Considered good	2.20	23.09
	Considered doubtful	0.60	0.60
		2.80	**23.69**
	Less: Provision for doubtful advances	(0.60)	(0.60)
		2.20	**23.09**
	Prepaid expenses	0.23	0.23
		61.23	**110.73**
13	**Equity share capital**		
	Authorised:		
	150,000,000 (Previous year 100,000,000) equity shares of ` 10 each.	1,500.00	1,000.00
		1,500.00	**1,000.00**
	Issued subscribed and fully paid up:		
	136,750,000 (Previous year 100,000,000) equity shares of ` 10 each fully paid up.	1,367.50	1,000.00
		1,367.50	**1,000.00**

13.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	(₹ in Millions)	Number of shares	(₹ in Millions)
Equity shares				
At the beginning of the year	100,000,000	1,000.00	49,990,000	499.90
Add: Shares issued during the year	36,750,000	367.50	50,010,000	500.10
Outstanding at the end of the year	136,750,000	1,367.50	100,000,000	1,000.00

13.2 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.

13.3 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 2018	% of shares held	Number of shares as at 31 March 2017	% of shares held
KPIT Technologies Limited	136,750,000	100.00%	100,000,000	100.00%

(Amount in ₹ million)

		31 March 2018	31 March 2017
14	**Long term provisions**		
	Provision for employee benefits		
	- Gratuity (Refer Note 32)	2.04	1.71
		2.04	**1.71**
15	**Borrowings**		
	Loans repayable on demand		
		101.33	-
	- From KPIT Technologies Limited (Refer Note 34)		
		101.33	**-**
16	**Trade payables**		
	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	-	0.47
	Total outstanding dues of creditors other than micro enterprises and small enterprises	84.08	227.00
		84.08	**227.47**
17	**Other current financial liabilities**		
	Accrued employee costs	8.42	4.41
	Payables in respect of fixed assets	2.24	0.22
	Payable to related parties (Refer Note 34)	1.89	1.87
		12.55	**6.50**
18	**Other current liabilities**		
	Unearned revenue	16.02	143.77
	Statutory remittances	2.12	1.20
	Advances from customers	-	-
		18.14	**144.97**
19	**Short-term provisions**		
	Provision for employee benefit		
	- Compensated Absences	0.76	1.18
	- Gratuity (Refer Note 32)	0.05	0.04
		0.81	**1.22**

(Amount in ₹ million)

		31 March 2018	31 March 2017
20	**Revenue from operations**		
	Sale of products		
	Finished goods	576.94	270.66
	Traded Goods	-	-
	Sale of products (gross)	576.94	270.66
	Sale of services	147.01	7.70
	Other operating revenue		
	Scrap Sale	2.48	0.76
		726.43	**279.12**
21	**Other income**		
	Interest income	6.97	8.66
	Sub-lease payments received	6.05	5.62
	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)	7.97	0.30
		20.99	**16.81**

(Amount in ₹ million)

		31 March 2018	31 March 2017
22	**Cost of materials consumed**		
	Electronic components and other raw materials	342.70	328.36
	Consumable Tools and Spares	38.20	13.54
		380.90	**341.90**
23	**Changes in inventories of finished goods and work-in-progress**		
	Finished goods		
	Inventories at the beginning of the year	139.42	27.49
	Inventories at the end of the year	49.43	139.42
		89.99	**(111.93)**
	Work-in-progress		
	Inventories at the beginning of the year	1.30	-
	Inventories at the end of the year	7.91	1.30
		(6.61)	**(1.30)**
		83.38	**(113.23)**
24	**Employee benefits expense**		
	Salaries, wages and incentives	56.22	50.65
	Contribution to provident and other funds	1.74	1.58
	Staff welfare expenses	1.93	2.46
		59.89	**54.69**
25	**Finance costs**		
	Interest expense	1.48	-
		1.48	**-**
26	**Other expenses**		
	Manufacturing Expenses		
	Contracting and labour charges	20.53	14.46
	Power and fuel	2.14	1.12
	Water Charges	0.28	0.28
	Other direct expenses	27.99	0.13
		50.94	**15.99**
	Establishment & Other Expenses		
	Travelling and conveyance expenses	5.08	6.32
	Recruitment and training expenses	0.11	0.13
	Rent	22.45	22.57
	Repairs and maintenance		
	- Building	0.02	0.09
	- Others	4.13	2.58
	Excise duty	18.84	32.97
	Inventories written down	54.54	2.31
	Carriage outward	2.73	3.33
	Rates & taxes	4.94	0.65
	Communication expenses	0.45	0.84
	Legal and professional fees	7.05	6.07
	Director Sitting Fees	0.14	0.13
	Printing & stationery	0.02	0.08
	Marketing expenses	2.18	0.19
	Foreign exchange loss (Net)	1.32	-
	Housekeeping	0.47	0.70
	Security charges	1.81	1.70
	Auditors remuneration (net of service tax)		
	- Audit fees	0.15	0.05
	- Fees for other services	0.18	0.21
	Creditors written back	0.83	-
	Provision for Warranty	-	(7.88)
	Bad Debts written off	(0.92)	-
	Provision for doubtful debts	64.53	(4.83)
	Miscellaneous expenses (net)	1.84	3.61
		243.83	**87.81**

Note

Certain expenses are net of recoveries/reimbursements from customers.

27 Contingent liabilities and Commitments

(i) Contingent liabilities

(Amount in ₹ million)

Sr. No.	Particulars	FY 2017-18	FY 2016-17
1	Outstanding bank guarantees in routine course of business	9.33	7.66
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 - ` 2.29 million (Previous year ` 1.30 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 2018 is ` Nil million (Previous year - ` 0.47 million) including unpaid amounts of ` Nil million (Previous year - ` 0.14 million) outstanding for more than 30 days. Estimated interest due thereon is ` Nil million (Previous year - ` 0.01).

b. Amount of payments made to suppliers beyond the appointed date during the year is ` 4.6 million (Previous year - ` 0.12 million). Interest paid thereon is ` Nil (Previous year - ` Nil) and the estimated interest due and payable thereon is ` 0.05 million (Previous year - ` Nil million).

c. The amount of estimated interest accrued and remaining unpaid as at 31 March 2018 is ` 0.08 million (Previous year - ` 0.03 million) .

d. The amount of further estimated interest due and payable for the period from 1 April 2018 to actual date of payment or 20 April 2018 (whichever is earlier) is ` Nil million.

29 CIF Value of Imports

(Amount in ₹ million)

Particulars	FY 2017-18	FY 2016-17
Components and spare parts	0.70	94.14

30 Expenditure in foreign currency (on accrual basis) (net of recovery):

(Amount in ₹ million)

Particulars	FY 2017-18	FY 2016-17
Travelling expenses	0.08	0.39
Discount	-	26.70
Salaries & wages	0.05	-
Other expenes	-	0.35
Total	**0.13**	**27.44**

31 Earnings in foreign currency (on accrual basis):

(Amount in ₹ million)

Particulars	FY 2017-18	FY 2016-17
Sale of Product	-	0.66

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 ` 1.74 million (Previous year ` 1.58 million)

2 Defined benefit plan

i) Actuarial gains and losses in respect of defined benefit plans are recognized in the Statement of Profit and Loss.

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 2017-18	FY 2016-17
Present value of defined benefit obligation at the beginning of the year	1.75	1.11
Current service cost	0.43	0.30
Interest cost	0.12	0.09
Actuarial loss / (Gain)		
a) changes in demographic assumptions	-	-
b) changes in financial assumptions	(0.07)	0.10
c) experience adjustments	(0.09)	0.22
Benefits paid	(0.05)	(0.07)
Present value of defined benefit obligation at the end of the year	2.09	1.75

(Amount in ₹ million)

Analysis of defined benefit obligation	FY 2017-18	FY 2016-17
Present value of obligation as at the end of the year	2.09	1.75
Net (asset) / liability recognized in the Balance Sheet	2.09	1.75

(Amount in ₹ million)

Components of employer expenses recognized in the statement of Profit and Loss	FY 2017-18	FY 2016-17
Current service cost	0.43	0.30
Interest cost	0.12	0.09
Expenses recognized in the Statement of Profit and Loss	0.55	0.39

(Amount in ₹ million)

Expenses Recognized in the Other Comprehensive Income (OCI)	FY 2017-18	FY 2016-17
Actuarial (Gains)/Losses on Obligation For the Period	(0.17)	(0.01)
Net (Income)/Expense For the Period Recognized in OCI	(0.17)	(0.01)

Assumptions	FY 2017-18	FY 2016-17
Discount rate	7.86%	7.52%
Salary Escalation	5.00%	5.00%

Attrition Rate	FY 2017-18	FY 2016-17
- 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 2017-18		FY 2016-17	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.19)	0.23	(0.17)	0.20
Future Salary growth (1% movement)	0.23	(0.20)	0.21	(0.18)
Employee turnover (1% movement)	0.05	(0.06)	0.03	(0.04)

Maturity profile of defined benefit plan

(Amount in ₹ million)

Projected benefits payable in future years from the date of reporting	FY 2017-18	FY 2016-17
Within 1 year	0.06	0.04
1-2 year	0.07	0.04
2-3 year	0.07	0.06
3-4 year	0.67	0.06
4-5 year	0.06	0.59
5-10 years	0.86	0.74

Weighted average assumptions used to determine net periodic benefit cost

	FY 2017-18	FY 2016-17
Number of active members	59	65
Per month salary cost for active members (` million)	1.12	1.18
Weighted average duration of the projected benefit obligation (years)	12.00	12.00
Average expected future service (years)	18.00	18.00
Projected benefit obligation (PBO)	2.09	1.75

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.
Subsidiary Company *	Yantra Digital Services Private Limited

* As per section 2(87) of Companies Act,2013

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 (Upto 20th March 2018)	Director
	Pushpahas Joshi (From 20th March 2018)	Director
	Anil Patwardhan	Chief Financial Officer
	Jaimeetkaur Sial (Upto 22th April 2017)	Company Secretary
	Meghana Phadnis (From 23rd April 2017)	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 2017-18		FY 2016-17	
		Amount of transactions during the year	Balance as on 31 March 2018 Debit/ (Credit)	Amount of transactions during the year	Balance as on 31 March 2017 Debit/ (Credit)
1	**KPIT Technologies Ltd.**				
	Sale of components	7.90	-	-	0.01
	Purchase of Components	21.14	(1.87)	214.51	(178.53)
	Product Purchase Expenses(License Fees)	18.85		-	
	Reimbursement of expenses	0.26	(1.89)	0.05	(1.87)
	Advance (net)	(0.29)		0.26	
	Loan taken	100.00	101.33	-	-
	Interest Expense	1.48		-	
	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	6.05	-	5.62	-
	Equity Contribution, inclusive of advances against equity	367.50	-	500.10	-
2	**Yantra Digital Services Private Limited**				
	Sale of Services*	5.22	178.34	-	18.38
	Sale of Component *	220.78		-	
	Reimbursement of data link charges*	16.90		-	
	License Fees*	120.00		-	
	Reimbursement of expenses (net)*	1.16			
	Advance given*	-		18.38	
	Investment	169.55	169.60	0.05	0.05
	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	6.93	-	7.33	-
	Post employment benefit plans	0.22	-	0.22	-
4	**Adi Engineer**				
	Sitting fees	0.06	-	0.06	-
5	**Lila Poonawalla**				
	Sitting fees	0.06	-	0.06	-
6	**Satishchandra Ogale**				
	Sitting fees	0.03	-	0.02	-
7	**Kirtane & Pandit LLP, Chartered Accountants**				
	Professional fees	0.36	-	0.36	-

* Transactions are exclusive of taxes.

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, 2018 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	-	179.60	-	-	-	179.60	179.60
Trade receivables	244.02	-	-	-	-	244.02	244.02
Cash and cash equivalents	14.44	-	-	-	-	14.44	14.44
Other balances with banks	345.99	-	-	-	-	345.99	345.99
Loans	35.72	-	-	-	-	35.72	35.72
Other financial assets	14.11	-	-	-	-	14.11	14.11
Total Assets	**654.28**	**179.60**	**-**	**-**	**-**	**833.88**	**833.88**
Liabilities							
Trade payables	84.08	-	-	-	-	84.08	84.08
Other financial liabilities	12.55	-	-	-	-	12.55	12.55
Total Liabilities	**96.63**	**-**	**-**	**-**	**-**	**96.63**	**96.63**

The carrying value and fair value of financial instruments by categories as on March 31, 2017 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							
Investment	-	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
Total Assets	**471.60**	**-**	**-**	**-**	**-**	**471.60**	**471.60**
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**

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, 2018 :

(Amount in ₹ million)

Particulars	As at 31-Mar-18	Fair value measurement as at		
		Level 1	Level 2	Level 3
Investment in Lithium urban technologies	10.00	-	-	10.00
Investment in Yantra Digital Services Pvt. Ltd.	169.60	-	-	169.60

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 2017-18	FY 2016-17
Rental Expenses	22.45	22.57
Sub-lease rental income (including facility charges)	6.05	5.62

Rental expenses of ₹ 22.45 million (Previous year ₹ 22.57 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 2017-18	FY 2016-17
Nominal value per equity share	₹	10.00	10.00
Profit for the year	₹ (million)	(30.42)	(90.72)
Weighted average number of equity shares	No. of shares	101,208,219	73,176,795
Earnings per share - Basic	₹	(0.30)	(1.24)
Earnings per share - Diluted	₹	(0.30)	(1.24)

38 **Details of provisions and movements in each class of provisions as required by the Ind As 37 - Provisions, Contingent liabilities and Contingent assets**

Warranty

(Amount in ₹ million)

Particulars	FY 2017-18	FY 2016-17
Carrying amount as at the beginning of the year	-	7.88
Additional provision made during the year	-	-
Unused amount reversed during the year	-	(7.88)
Carrying amount at the end of the year	-	-

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 58.33% in Yantra Digital Services Pvt. Limited and the investment is recorded at cost.

Yantra Digital Services Pvt.Limited is a subsidiary of the Company as defined under section 2(87) of the Companies Act, 2013. The management of the company is of the view under Rule 6 of the Companies (Accounts) Rules 2014 that the company is not required to prepare Consolidated finacial statements as its ultimate holding company produces consolidated financial statements that are available for public use ,comply with Ind AS's and filed with Registrar which are in compliance with applicable accounting standards.

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
Proprietor
Membership No. 039223

Place: Pune
Date: 25 April 2018

For and on behalf of the Board of Directors of
IMPACT AUTOMOTIVE SOLUTIONS LIMITED

Kishor Patil
Chairman
DIN: 00076190

Chinmay Pandit
Director
DIN: 07109290

Anil Patwardhan
Chief Financial Officer

Meghana Phadnis
Company Secretary

Place: Pune
Date: 25 April 2018

Yantra Digital Services Private Limited

Registered Office : 9D, Floor-GRD, Plot-149/151, Karsandas Building, Raja Rammohan Roy Marg, Bangarwadi Prarthana Samaj, Girgaon Mumbai – 400004, India

BOARD'S REPORT

Dear Members,

The Directors are pleased to present the Second Annual Report together with the Audited Accounts of the Company for the financial year ended March 31, 2018.

Performance of the Company

The financial results are as under:-

Particulars	Financial Year ended March 31, 2018 (₹)	Financial Year ended March 31, 2017 (₹)
Profit / (Loss) before Tax	(136,576,338)	(2,566,482)
Profit / (Loss) after Tax	(136,576,338)	(2,566,482)
Total comprehensive income for the period	(136,576,338)	(2,566,482)

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 2,000 equity shares of ₹ 10/- (Rupees ten only) each, fully paid to the existing member of the Company, thereby increasing the paid-up share capital.

Fixed Deposits

The Company has not accepted any deposits. As such provisions of chapter V of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, are not applicable to the Company.

Directors

During the year, Mr. Anup Sable and Mr. Sunil Phansalkar were appointed as Directors of the Company in the, Annual General Meeting held on December 27, 2017.

In accordance with Section 152 of the Companies Act, 2013, Mr. Nitin Kanuago retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment.

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 December 27, 2017, for a period of 5 (five) years, subject to ratification, by the members in every 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.

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 Lakhs or more a month. Further details of other employees as required under Rule 5(2) of the companies (Appointment & Remuneration of Managerial Personnel Rules), 2014 is annexed to this Report as "Annexure 1".

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo

The Company is in a nascent stage and once the Company gets into full-fledged operations, it will work towards achieving these objectives. There are no foreign exchange earnings and outgo.

Board Meetings

Nine meetings of the Board of Directors were held during the year under review i.e. on May 4, 2017, June 27, 2017, July 14, 2017, September 15, 2017, November 27, 2017 January 31, 2017, February 5, 2018, March 20, 2018 & March 23, 2018. The intervening gap between the meetings was within the period prescribed under Section 173(1) of the Companies Act, 2013.

Particulars of loans, guarantees or investments

During the year under review, the Company has no loans or investments, pursuant to the provisions of Section 186 of the Companies Act, 2013.

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 2" 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.

Disclosure under the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place, a policy on prevention of sexual harassment and also a redressal mechanism for resolving complaints received with respect to sexual harassment and discriminatory employment practices. No case of sexual harassment and discriminatory employment was reported during the financial year under review.

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 3" to this Report.

Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India ('ICSI'), one of the premier professional bodies in India, has issued 10 Secretarial Standards. Out of which 3 Secretarial Standards have been made mandatory as per the provisions of the Companies Act, 2013. The Company adheres by these standards.

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, 2018, 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, 2018 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 acknowledge gratefully the members for their support and confidence reposed in your Company.

For and on behalf of the Board of Directors

Mumbai	**Anup Sable**	**Sunil Phansalkar**
April 25, 2018	Director	Director

Annexure 1

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Please Contact Company for this information.

Annexure 2

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)
Impact Automotive Solutions Limited [Holding company]	Purchases	Ongoing Transaction	₹ 261.49 million.	Not required. Contract was entered in ordinary course of business and therefore approval by the Board was not required.	Nil
Impact Automotive Solutions Limited [Holding company]	KIVI License Fees	One time Transaction	₹ 120.60 million	Not required. Contract was entered in ordinary course of business and therefore approval by the Board was not required.	Nil

For and on behalf of the Board of Directors

Mumbai
April 25, 2018

Anup Sable
Director

Sunil Phansalkar
Director

Annexure - 3

Form MGT-9

Extract of Annual Return

as on the financial year ended March 31, 2018

[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	:	U72900MH2016PTC274472
ii)	Registration Date	:	March 16, 2016
iii)	Name of the Company	:	Yantra Digital Services Private Limited
iv)	Category/Sub-Category of the Company	:	Private Company/Limited by shares
v)	Address of the Registered office and Contact details	:	9d, Floor-Grd, Plot-149/151, Karsandas Building, Raja Rammohanroy Marg, Bangarwadi Prarthana Samaj, Girgaon, Mumbai – 400004
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	Advertising	731	-

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	Impact Automotive Solutions Limited	U35923PN2010PLC137191	Holding	58.33	2(87)(ii)

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	-	300	300	3.00	-	300	300	2.50	(0.50)
b	Central Government	-	-	-	-	-	-	-	-	-
c	State Government(s)	-	-	-	-	-	-	-	-	-
d	Bodies Corporate	-	-	-	-	-	-	-	-	-
e	Bank & FII	-	-	-	-	-	-	-	-	-
f	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**-**	**300**	**300**	**3.00**	**-**	**300**	**300**	**2.50**	**(0.50)**
(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)	**-**	**300**	**300**	**3.00**	**-**	**300**	**300**	**2.50**	**(0.50)**

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	
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	-	9,700	9,700	97.00	-	11,700	11,700	97.50	0. 50
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)	**-**	**9,700**	**9,700**	**97.00**	**-**	**11,700**	**11,700**	**97.50**	**0. 50**
	Total Public Shareholding (B) = (B)(1) + (B)(2)	**-**	**9,700**	**9,700**	**97.00**	**-**	**11,700**	**11,700**	**97.50**	**0. 50**
C	**SHARES HELD BY CUSTODIAN FOR ADRs AND GDRs**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	GRAND TOTAL (A+B+C)	**-**	**10,000**	**10,000**	**100**	**-**	**12,000**	**12,000**	**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	Nitin Kanungo	300	3.00	-	-	300	2.50	-	-	(0.50)
Total		**300**	**3.00**	**-**	**-**	**300**	**2.50**	**-**	**-**	**(0.50)**

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	Mr. Nitin Kanungo				
	At the beginning of the year	300	3.00	300	3.00
	Increase/Decrease during the year				
	At the end of the year	-	-	300	2.50

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For each of the Top 10 shareholders	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	**Impact Automotive Solutions Limited**				
	At the beginning of the year	5,000	50.00	5,000	50.00
	Increase/Decrease during the year				
	Allotment of shares on February 5, 2018	585	5.53	5,585	52.76
	Allotment of shares on March 23, 2018	1,415	11.79	7,000	58.33
	At the end of the year	-	-	7,000	58.33
2	**Yantra Digital Solutions LLP**				
	At the beginning of the year	4,500	45.00	4,500	45.00
	Increase/ Decrease during the year	-	-	-	-
	At the end of the year	-	-	4,500	37.50
3	**Yantra Media Solutions**				
	At the beginning of the year	200	2.00	200	2.00
	Increase / Decrease during the year	-	-	-	-
	At the end of the year	-	-	200	1.67

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. Nitin Kanungo**				
	At the beginning of the year	300	3.00	300	3.00
	Increase/Decrease during the year	-	-	-	-
	At the end of the year	-	-	300	2.50

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 Managing Director/ Whole-time directors and/ or Manager: NIL

B. Remuneration to other directors: NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: N.A

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

		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					
	Punishment			**NIL**		
	Compounding					
B.	**DIRECTORS**					
	Penalty					
	Punishment			**NIL**		
	Compounding					
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty					
	Punishment			**NIL**		
	Compounding					

For and on behalf of the Board of Directors

Mumbai

April 25, 2018

Anup Sable
Director

Sunil Phansalkar
Director

INDEPENDENT AUDITORS REPORT

To,
The Members of
M/s. Yantra Digital Services Pvt. Ltd.
Pune

Report on Financial Statements

1. We have audited the accompanying financial statements of M/s. Yantra Digital Services Pvt. Ltd. ('the Company') as at March 31, 2018 which comprise of the Balance Sheet as at March 31, 2018, Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

   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 and presentation of the standalone financial statements that give a 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 standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

   We conducted our audit of the standalone financial statements 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 standalone 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, 2018;

   b. In the case of Statement of Profit and Loss Account, of the Loss, Total Comprehensive Income, 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.

   e) On the basis of written representations received from the directors of the company as at March 31, 2018, 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 2018 in terms of Section 164(2) of the Act..

   f) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us;

      i) The company 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 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 31stMarch,2018 for a period of more than six months from the date of becoming payable.

(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) No Managerial Remuneration has been provided in books.

(xii) The company is not a Nidhi Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards

(xiv) The company has made Preferential allotment of Shares which have been issued at a Premium that has been based on Independent Business Valuation Report.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(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: 25th April 2018

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 ***M/s. Yantra Digital Services Pvt. Ltd.*** as of 31 March 2018 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, to the best of our information and according to the explanations given to us, 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 March 31, 2018, 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: 25th April 2018

Proprietor
Harish Lalwani
M. No. 039223

Balance Sheet

as at 31 March 2018

(Currency in ` million)

	Note	31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2A	216.75	-
Capital work-in-progress		78.30	63.79
Intangible assets	2B	61.97	-
Income tax assets (net)		2.04	2.00
		359.06	**65.79**
Current assets			
Financial assets			
Trade receivables	3	-	15.00
Cash and cash equivalents	4	19.90	95.56
Loans	5	1.70	18.38
Other financial assets	6	0.05	-
Other current assets	7	53.77	7.52
		75.42	**136.46**
	TOTAL	434.48	202.25
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	0.12	0.10
Other equity		30.39	(2.58)
		30.51	**(2.48)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	9	108.09	-
		108.09	-
Current liabilities			
Financial liabilities			
Trade payables	10	48.76	0.01
Other financial liabilities	11	235.53	89.64
Other current liabilities	12	10.71	115.08
Provision	13	0.88	-
		295.88	**204.73**
TOTAL		434.48	202.25
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2 - 27		

As per our report of even date attached

For Harish K. Lalwani & Associates
Chartered Accountants
FRN: 103507W

For and on behalf of the Board of Directors of Yantra Digital Services Private Limited

Harish Lalwani
Proprietor
Membership No. 039223

Ashok Mehta
Director
DIN: 01863929

Sunil Phansalkar
Director
DIN: 07392775

Place: Pune
Date: 25 April 2018

Place: Pune
Date: 25 April 2018

Statement of Profit and Loss

for the year ended on 31 March 2018

(Amount in ` million)

	Note	31 March 2018	31 March 2017
Revenue from operations			
Sale of services	14	91.67	-
Other income	15	0.52	-
Total income		**92.19**	-
Expenses			
Employee benefits expense	16	24.56	-
Finance costs	17	9.16	0.06
Depreciation and Amortization expenses	2	92.70	-
Other expenses	18	102.33	2.52
Total expenses		**228.75**	**2.58**
Profit before tax		**(136.56)**	**(2.58)**
Tax expense		-	-
Profit for the year		**(136.56)**	**(2.58)**
Other comprehensive income		-	-
Total comprehensive income		**(136.56)**	**(2.58)**
Earnings per equity share for continuing operations (face value per share ₹ 10 each)			
Basic	25	**(13,500.74)**	**(258.00)**
Diluted	25	**(13,500.74)**	**(258.00)**
Significant accounting policies	1		
Notes referred to above form an integral part of the financial statements	2 - 27		

As per our report of even date attached

For Harish K. Lalwani & Associates
Chartered Accountants
FRN: 103507W

For and on behalf of the Board of Directors of Yantra Digital Services Private Limited

Harish Lalwani
Proprietor
Membership No. 039223

Ashok Mehta
Director
DIN: 01863929

Sunil Phansalkar
Director
DIN: 07392775

Place: Pune
Date: 25 April 2018

Place: Pune
Date: 25 April 2018

Statement of Cash Flows

for the year ended on 31 March 2018

(Amount in ` million)

		31 March 2018	31 March 2017
A]	CASH FLOW FROM OPERATING ACTIVITIES		
	Loss for the period	(136.56)	(2.58)
	Adjustments for		
	Income tax expense	-	-
	Depreciation and amortisation	92.70	-
	(Profit)/ Loss on sale of asset (net)	-	-
	Interest expenses	9.16	0.06
	Interest income	(0.52)	-
	Unrealised foreign exchange Loss	-	-
	Operating Profit before working capital changes	**(35.22)**	**(2.52)**
	Adjustments for changes in working capital:		
	Trade Payables	48.75	0.01
	Other financial liabilities, other liabilities and provisions	(101.79)	140.93
	Trade Recievables	15.00	(15.00)
	Other current assets	(29.57)	(25.90)
	Cash generated from operations	**(102.83)**	**97.52**
	Taxes Paid	(0.04)	(2.00)
	Net cash from operating activities (A)	**(102.87)**	**95.52**
B]	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Assets	(452.06)	-
	Proceeds from sale of Assets	169.25	-
	Interest received	0.47	-
	Net Cash from /(used in) investing activities (B)	**(282.34)**	-
C]	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from loan under Sale and lease back transaction	167.48	-
	Repayment of loan under Sale and lease back transaction	(18.32)	-
	Proceeds from issue of Share Capital	169.55	0.10
	Interest and finance charges	(9.16)	(0.06)
	Net Cash from /(used in) investing activities (B)	**309.55**	**0.04**
	Net Increase / (decrease) in cash and cash equivalents (A + B + C)	**(75.66)**	**95.56**
	Cash & cash equivalents at close of the year (refer note 1 below)	19.90	95.56
	Cash & cash equivalents at beginning of the year (refer note 1 below)	95.56	-
	Cash surplus / (deficit) for the year	**(75.66)**	**95.56**
	Note 1:		
	Cash and cash equivalents include:		
	Balance with banks		
	- In current accounts	19.90	95.56
	Total Cash and cash equivalents	**19.90**	**95.56**

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.

As per our report of even date attached

For Harish K. Lalwani & Associates
Chartered Accountants
FRN: 103507W

For and on behalf of the Board of Directors of Yantra Digital Services Private Limited

Harish Lalwani
Proprietor
Membership No. 039223

Ashok Mehta
Director
DIN: 01863929

Sunil Phansalkar
Director
DIN: 07392775

Place: Pune
Date: 25 April 2018

Place: Pune
Date: 25 April 2018

Statement of changes in equity

31 March 2018

(Amount in ₹ million)

A	**Equity share capital**	
	Balance as at 31 March 2017	**0.10**
	Changes in equity share capital during 2017-18	0.02
	Balance as at 31 March 2018	**0.12**

B Other equity

Particulars	Reserves & Surplus		Total
	Securities premium reserve	Retained earnings	
Balance as on 31 March 2017	-	(2.58)	**(2.58)**
Premium on issue of shares	169.53	-	169.53
Total comprehensive income for the year 2017-18	-	**(136.56)**	**(136.56)**
Balance as on 31 March 2018	**169.53**	**(139.14)**	**30.39**

Significant accounting policies 1

Notes referred to above form an integral part of the financial statements 2-27

As per our report of even date attached

For Harish K. Lalwani & Associates
Chartered Accountants
FRN: 103507W

For and on behalf of the Board of Directors of Yantra Digital Services Private Limited

Harish Lalwani
Proprietor
Membership No. 039223

Ashok Mehta
Director
DIN: 01863929

Sunil Phansalkar
Director
DIN: 07392775

Place: Pune
Date: 25 April 2018

Place: Pune
Date: 25 April 2018

Notes forming part of the financial statements

as at 31 March 2018

Corporate Information

Yantra Digital Services Private Limited ("the company") is a private limited company incorporated under the Companies Act, 2013 on March 16, 2016. The Company is engaged in the selling of publicity and advertising spaces across various modes, mediums and platforms.

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 and rounded off to the two decimal places, unless otherwise stated.

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 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 considered to be of 12 months.

1.3 Revenue recognition

The company derives revenues from selling of publicity and advertising spaces across various modes, mediums and platforms. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

The company presents revenues net of indirect 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 in the process of installation 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[(1)]	3
Office Equipment[(1)]	10

[(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 Plant and machinery taken on lease are amortised over shorter of useful lives and period of lease.

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.

1.7 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.

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.

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 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.

c. Sale and Leaseback transaction

Sale and leaseback arrangements resulting into Finance lease are recorded as per the accounting standard. Any excess of sales proceeds over the carrying amount is deferred and amortised over the lease term.

1.9 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.

1.10 Employee benefits

i) Post-employment benefit plans

Defined benefit plan

The Company's gratuity scheme is a defined benefit plan. For gratuity scheme, the provision for the liability is done as per the Payment of Gratuity Act, 1972 as on the date of the financial statements. Remeasurement of net defined benefit liability, which comprise gains and losses are recognized in Other Comprehensive Income for the period in which they occur.

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.

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. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement.

1.11 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.

1.12 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.

1.13 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.

2A Property, plant and equipment

Changes in the carrying amount of property, plant and equipment

(Amount in ₹ million)

	Plant and Machinery		Office Equipments	Total
	Leasehold	Owned		
Gross carrying amount as at 1 April 2017	-		-	-
Additions	169.25	248.25	0.06	417.56
Disposal/retirements/derecognition	-	169.25	-	169.25
Gross carrying amount as at 31 March 2018	**169.25**	**79.00**	**0.06**	**248.31**
Accumulated depreciation as at 1 April 2017	-		-	-
Depreciation	24.37	7.19	-	31.56
Disposal/retirements/derecognition		-	-	-
Accumulated depreciation as at 31 March 2018	**24.37**	**7.19**	-	**31.56**
Carrying amount as at 1 April 2017	-	-	-	-
Carrying amount as at 31 March 2018	**144.88**	**71.81**	**0.06**	**216.75**

2B 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 2017	-	-	-
Additions	120.60	2.51	123.11
Disposal/retirements/derecognition	-	-	-
Gross carrying amount as at 31 March 2018	**120.60**	**2.51**	**123.11**
Accumulated depreciation as at 1 April 2017	-	-	-
Depreciation	60.30	0.84	61.14
Disposal/retirements/derecognition			-
Accumulated depreciation as at 31 March 2018	**60.30**	**0.84**	**61.14**
Carrying amount as at 1 April 2017	-	-	-
Carrying amount as at 31 March 2018	**60.30**	**1.67**	**61.97**

(Amount in ₹ million)

		31 March 2018	31 March 2017
3	**Trade receivables**		
	(Unsecured)		
	Others receivables		
	- Considered good	-	15.00
		-	**15.00**
4	**Cash and bank balances**		
	Balances with banks		
	- In current accounts	13.10	95.56
	- In deposit accounts (with original maturity of 3 months or less)	6.80	-
		19.90	**95.56**
	Other bank balances		
	- In Deposit Account with remaining maturity of less than 12 months	-	-
		19.90	**95.56**
5	**Short term loans and advances**		
	(Unsecured, considered good unless otherwise stated)		
	- Security deposit	0.25	-
	- Other receivables	1.45	18.38
		1.70	**18.38**
6	**Other current financial assets**		
	(Unsecured, considered good unless otherwise stated)		
	Interest accrued on fixed deposits	0.05	-
		0.05	**-**
7	**Other current assets**		
	(Unsecured, considered good unless otherwise stated)		
	Prepaid expenses	1.61	-
	Advance to suppliers	0.51	0.03
	Balances with statutory authorities	51.65	7.49
		53.77	**7.52**
8	**Share capital**		
	Authorised:		
	60,00,000 equity shares of ` 10 each.	60.00	60.00
		60.00	**60.00**
	Issued subscribed and fully paid up:		
	12,000 (Previous year 10,000) equity shares of ` 10 each fully paid up.	0.12	0.10
		0.12	**0.10**

8.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	(₹ in Millions)	Number of shares	(₹ in Millions)
Equity shares				
At the beginning of the year	10,000	0.10	-	-
Add: Shares issued during the year	2,000	0.02	10,000	0.10
Outstanding at the end of the year	12,000	0.12	10,000	0.10

8.2 **During the year, 585 shares were issued at a premium of ₹ 84,700 each and 1,415 shares were issued at a premium of ₹ 84,795 each to Impact Automotive Solutions Limited.**

8.3 **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.**

8.4 **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 2018	% of shares held	Number of shares as at 31 March 2017	% of shares held
Impact Automotive Soluations Limited	7,000	58.33%	5,000	50.00%
Yantra Digital Solutions LLP	4,500	37.50%	4,500	45.00%

(Amount in ₹ million)

		31 March 2018	31 March 2017
9	**Long term borrowings**		
	Long term maturities of finance lease obligations (Secured)		
	(Secured against fixed assets obtained under finance sale and leaseback arrangements) (Refer note 24)	108.09	-
		108.09	**-**
10	**Trade payables**		
	Trade payables	48.76	0.01
		48.76	**0.01**
11	**Other current financial liabilities**		
	Current maturities of finance lease obligation	41.07	-
	(Refer note 24)		
	Payables in respect of fixed assets	174.38	71.26
	Payable to related party	19.77	18.38
	Accrued employee costs	0.31	-
		235.53	**89.64**
12	**Other current liabilities**		
	Unearned revenue	8.33	100.00
	Statutory Liabilities	2.38	15.08
		10.71	**115.08**
13	**Provisions**		
	Provision for employee benefits		
	- Compensated Absences	0.13	-
	- Gratuity	0.75	-
		0.88	**-**
14	**Revenue from operations**		
	Software services	91.67	-
		91.67	**-**
15	**Other income**		
	Interest income	0.52	-
		0.52	**-**
16	**Employee benefits expense**		
	Salaries, wages and incentives	23.51	-
	Contribution to provident and other funds	0.93	-
	Staff welfare expenses	0.12	-
		24.56	**-**
17	**Finance costs**		
	Interest expense	9.16	0.06
		9.16	**0.06**

(Amount in ₹ million)

		31 March 2018	31 March 2017
18	**Other expenses**		
	Cost of service delivery (net)		
	- Data Connectivity Charges	43.58	-
	- Software subscription & AMC	15.92	-
	- License fees	20.87	1.20
	- Tools & Consumables	5.23	-
	Travelling and conveyance expenses	2.92	-
	Rent	0.24	-
	Recruitment and training expenses	0.01	-
	Repairs and maintenance		
	- Others	0.30	-
	Insurance	2.05	-
	Rates & taxes	0.79	0.12
	Audit fees	0.08	-
	Legal and professional fees	2.44	1.18
	Marketing Expenses	7.71	-
	Printing & stationery	0.11	-
	Miscellaneous expenses (net)	0.08	0.02
		102.33	**2.52**

19 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2018.

20 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 2018 is ` 2.49 million (Previous year ` Nil) including unpaid amounts of ` 0.35 million (Previous year ` Nil) outstanding for more than 30 days. Estimated interest due thereon is ` 0.02 million (Previous year ` Nil).

b. Amount of payments made to suppliers beyond the appointed date during the year is ` Nil (Previous year ` Nil). Interest paid thereon is ` Nil (Previous year ` Nil) and the estimated interest due and payable thereon is ` Nil (Previous year ` Nil).

c. The amount of estimated interest accrued and remaining unpaid as at 31 March 2018 is ` 0.02 million (Previous year ` Nil).

d. The amount of further estimated interest due and payable for the period from 1 April 2018 to actual date of payment or 20 April 2018 (whichever is earlier) is ` 0.02 million (Previous year ` Nil).

21 Segment information

There are no reportable segments.

22 Related party transactions:

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

Relationship	Name of related party
Holding Company	Impact Automotive Solutions Limited
Ultimate Holding Company	KPIT Technologies Limited
Enterprise over which KMP have significant influence	Yantra Media solutions

B. List of Key Management Personnel :

Key Management Personnel (KMP)	Kishor Patil (upto 14 July 2017)	Director
	Sunil Phansalkar (w.e.f. 15 Sept 2017)	Director
	Haresh Jain	Director
	Anup Sable	Director
	Ashok Mehta	Director
	Nitin Kanungo	Director

C. Transactions with related parties

Sr. no.	Name of the related party	Description of relationship	Nature of transaction	Amount of transaction 2017-18 (`)	Balance Receivable/ (payable) as at 31 March 2018 (`)	Amount of transaction 2016-17 (`)	Balance Receivable/ (payable)as at 31 March 2017 (`)
1	Impact Automotive Solutions Limited	Holding Company	Equity	169.55	-	0.05	-
			Advance taken (Net)	-	(196.43)	18.38	(89.64)
			Purchases*	261.49		71.26	
			AMC of boxes*	5.24		-	
			Transportation*	1.16		-	
			Reimbursement of expenses (net)*	16.91		-	
			KIVI license*	120.60		-	
			Loan taken	NIL	NIL	6.00	NIL
			Loan repayment incl interest	NIL		6.06	
			Interest on loan taken	NIL		0.06	
2	Yantra Media Solutions	Other Related Parties	License fees	10.50	9.50	NIL	18.38
			Professional fees	0.46		NIL	
			Advance given (Net)	NIL		18.38	
3	KPIT Technologies limited	Ultimate Holding Company	Reimbursement of expenses (net)	2.39	1.36	-	-
4	Nitin Kanungo	Key Management Personnel	Advance taken (Net)	NIL	(0.01)	0.01	(0.01)

* Transactions are inclusive of taxes.

23 Details of employee benefits as required by Ind-AS 19 - "Employee benefits are as under":

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 ` 0.93 million (Previous year ` NIL).

2 Defined benefit plan

The defined benefit plan comprises gratuity, which is un-funded.

Amount recognized as an expense in the Statement of Profit and Loss in respect of defined benefit plan is ` 0.75 million (Previous year ` NIL).

24 **Lease transactions**

1 **Finance leases**

The Company has entered into sale and lease back transaction with 'Tata Capital Financial Services Ltd.' during the year of Plant & machinery.

Reconciliation between future minimum lease payments and their present values under finance lease as at the year end is as follows:

Particulars	31 March 2018 ` million	31 March 2017 ` million
Future minimum lease payments		
- not later than one year	68.93	NA
- later than one year and not later than five years	108.09	NA
- later than five years	-	NA
Total future minimum lease payments	177.02	NA
Amount representing future interest	31.19	NA
Present value of future minimum lease payments	145.83	NA
- not later than one year	50.18	NA
- later than one year and not later than five years	95.65	NA
- later than five years	-	NA

Net carrying amount of assets held under finance lease as on 31 March 2018 is ` 149.16 million (Previous year ₹ NIL).

2 **Operating leases**

Rental expenses of ` 0.24 (Previous year NIL) in respect of obligation under operating leases have been recognized in the Statement of Profit and Loss.

25 **Basic and diluted earnings per share**

Particulars		FY 2017-18	FY 2016-17
Nominal value per equity share	`	10.00	10.00
Loss for the year	` million	(136.56)	(2.58)
Weighted average number of equity shares	No. of shares	10,115	10,000
Earnings per share - Basic	`	(13,500.74)	(258.00)
Earnings per share - Diluted	`	(13,500.74)	(258.00)

26 **Financial Instruments**

26.1 **Financial Instruments by category**

The carrying value and fair value of financial instruments by categories as on 31 March 2018 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							
Cash and cash equivalents	19.90	-	-	-	-	19.90	19.90
Loans	1.70	-	-	-	-	1.70	1.70
Total Assets	**21.60**	-	-	-	-	**21.60**	**21.60**
Liabilities							
Borrowings	108.09	-	-	-	-	108.09	108.09
Trade payables	48.76	-	-	-	-	48.76	48.76
Other financial liabilities	235.53	-	-	-	-	235.53	235.53
Total Liabilities	**392.38**	-	-	-	-	**392.38**	**392.38**

The carrying value and fair value of financial instruments by categories as on 31 March 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							
Trade receivables	15.00	-	-	-	-	15.00	15.00
Cash and cash equivalents	95.56	-	-	-	-	95.56	95.56
Loans	18.38	-	-	-	-	18.38	18.38
Total Assets	**128.94**	-	-	-	-	**128.94**	**128.94**
Liabilities							
Trade payables	0.01	-	-	-	-	0.01	0.01
Total Liabilities	**0.01**	-	-	-	-	**0.01**	**0.01**

26.2 **Fair value hierarchy**

Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, loans, unbilled revenue, other financial assets, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities.

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, 2018 :

(Amount in ₹ million)

Particulars	As at 31-Mar-18	Fair value measurement as at		
		Level 1	Level 2	Level 3
Borrowings	108.09	-	-	108.09

Valuation technique and significant unobservable inputs:

Level 2:

(i) Derivative financial assets are valued based on inputs that are directly or indirectly observable in the market.

(ii) Borrowings are valued using the discounted cash flow method, the net cash flows expected to be generated are discounted using the cost of borrowing that are directly or indirectly observable in the market.

Level 3:

Valuation techniques	Significant unobservable inputs
For valuation of investment in equity instruments, discounted cash flow method is used to capture the present value of expected future economic benefits. Under the discounted cash flow method, the net cash flows expected to be generated are discounted using the weighted average cost of capital.	- Budgeted revenue growth rate (5%) - Weighted average cost of capital (19%)

Significant increase in discount rates and spreads above risk free rate, in isolation would result in lower fair values. A significant increase in volatility in revenue growth rates will result in higher fair value.

27 Other disclosures and explanatory notes

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

As per our report of even date attached

For Harish K. Lalwani & Associates
Chartered Accountants
FRN: 103507W

Harish Lalwani
Proprietor
Membership No. 039223

Place: Pune
Date: 25 April 2018

For and on behalf of the Board of Directors of
Yantra Digital Services Private Limited

Ashok Mehta
Director
DIN: 01863929

Sunil Phansalkar
Director
DIN: 07392775

Place: Pune
Date: 25 April 2018

KPIT Engineering Limited

Registered Office : Plot No.17, Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase-III, Maan,Taluka - Mulshi, Hinjawadi, Pune – 411057, India.

BOARD'S REPORT

Dear Members,

The Directors are pleased to present the Board's Report together with the Audited Financial Statements of the Company for the period ended March 31, 2018.

Performance of the Company

The Company has been incorporated on January 8, 2018 with an objective to engage in Engineering Business. The Company is yet to commence its operations.

(₹ in million)

Particulars	Accounting Year from January 8, 2018 to March 31, 2018
Total income from operations (net)	NIL
Preliminary expenses incurred	2.66
Profit / (Loss) before Tax	(2.66)
Profit / (Loss) after Tax	(2.66)
Total comprehensive income for the period	(2.66)

Dividend

The Company is yet to commence it's operations during the period under review and hence your Directors do not recommend any dividend.

Share Capital

The issued, subscribed and paid-up capital of the Company as on March 31, 2018 is ₹ 10,00,000, consisting of 1,00,000 equity shares of ₹ 10/- each. The entire share capital is held by KPIT Technologies Limited.

Fixed Deposits

The Company has not accepted any deposits. As such provision of chapter V of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, are not applicable to the Company.

Directors

Pursuant to Article 58 of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Shashishekhar B. Pandit, Mr. Kishor Patil and Mr. Sachin Tikekar were appointed as first directors of the Company subject to the approval of shareholders in the ensuing Annual General Meeting. The proposal for approval of same is being made to the shareholders at the forthcoming Annual General Meeting.

Auditors

Pursuant to the provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, B S R & Co. LLP , Chartered Accountants, Pune (FRN 101248W/W - 100022), having their office at 7th and 8th Floor, Business Plaza, Westin Hotel Campus, 36/3- B, Koregaon Park Annex, Mundhwa Road, Pune 411 001, has been appointed as the first Auditor of the Company to hold the office until the conclusion of the first Annual General Meeting of the Company.

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.

As per the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, statutory auditors of a Company have to be appointed for a period of five years by the members in Annual General Meeting by passing of an ordinary resolution. Accordingly, the Board, at its meeting held on July 25, 2018, recommended the appointment of M/s. B S R & Co. LLP, as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting of the Company till the conclusion of Annual General Meeting to be held in the year 2023.

M/s. B S R & Co. LLP, Chartered Accountants, Pune (FRN 101248W/W - 100022), have given their consent for this appointment and have confirmed their eligibility as per the provisions of Section 139 of the Companies Act, 2013.

Change in the Registered Office of the Company

The Registered office address of the Company is changed from 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune-411057, to Plot-17, Rajiv Gandhi Infotech Park, MIDC-SEZ, Phase-III, Maan, Hinjawadi, Taluka – Mulshi, Pune – 411 057 w.e.f. April 03, 2018.

Particulars of Employees

There are no employees who were employed during the period under review 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.

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo

The Company is yet to commence it's operations hence there is nothing to report under Section 134 (3) (n) of The Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014.

Board Meetings

Three meetings of the Board of Directors were held during the period under review on January 18, 2018, January 24, 2018 and January 29, 2018. The intervening gap between the meetings was within the period prescribed under Section 173(1) of the Companies Act, 2013.

Particulars of loans, guarantees or investments

During the period under review, the Company has no loans or investments, pursuant to the provisions of Section 186 of the Companies Act, 2013.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013

During the period under review, there were no contracts or arrangements entered with related parties.

Material changes and commitments affecting the financial position of the Company

The Board of the Company approved, at its meeting held on January 29, 2018, a draft composite scheme for -

(a) merger of Birlasoft (India) Limited with KPIT Technologies Limited and

(b) demerger of the engineering business of KPIT Technologies Limited into the Company.

This demerger of engineering business of KPIT Technologies Limited in to the Company is a material re-structuring activity. This is not likely to have any adverse impact on the Company, however, it will affect the financial position of the Company.

Pursuant to this Scheme, the Engineering Business of KPIT Technologies Limited shall vest in the Company which will lead the Company to specialize in providing product engineering solutions and services to key focus industries.

The completion of the Proposed Merger and Proposed Demerger will be subject to terms of composite scheme and necessary approvals.

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.

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 1" to this Report.

Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India ('ICSI'), one of the premier professional bodies in India, has issued ten Secretarial Standards. Out of which three Secretarial Standards have been made mandatory as per the provisions of the Companies Act, 2013. The Company adheres by these standards.

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 period ended March 31, 2018, 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, 2018 and of the loss of the Company for the period 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, consultants and various Government authorities for their continued support extended to your Company's activities. 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

July 25, 2018

Shashishekhar B. Pandit

Chairman

Annexure 1

Form MGT-9

Extract of Annual Return

as period ended March 31, 2018

[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	:	U74999PN2018PLC174192
ii)	Registration Date	:	January 8, 2018
iii)	Name of the Company	:	KPIT Engineering 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	Architecture and Engineering Activities; Technical testing and analysis	71	Yet to Commence Business.

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)

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	-	99,994	99,994	100	-	99,994	99,994	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)	**-**	**1,00,000**	**1,00,000**	**100**	**-**	**1,00,000**	**1,00,000**	**100**	**-**
(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)	-	1,00,000	1,00,000	100	-	1,00,000	1,00,000	100	-
B	**PUBLIC SHAREHOLDING**									
(1)	Institutions									
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Banks/FI	-	-	-	-	-	-	-	-	-

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	
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)	**-**	**1,00,000**	**1,00,000**	**100**	**-**	**1,00,000**	**1,00,000**	**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 (through Mr. Kishor Patil)	99,994	100	-	-	99,994	100	-	-	-
2	Mr. Shashishekhar Balkrishna Pandit (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
3	Mr. Sachin Dattatraya Tikekar (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
4	Mr. Anil Kashinath Patwardhan (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
5	Mr. Anup Vitthal Sable (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
6	Mr. Sunil Shrikant Phansalkar (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
7	Mr. Chinmay Shashishekhar Pandit (Nominee of KPIT Technologies Limited)	1	-	-	-	1	-	-	-	-
Total		**1,00,000**	**100**	**-**	**-**	**1,00,000**	**100**	**-**	**-**	**-**

iii) Change in Promoters' shareholding:

There was no change in Promoter's shareholding

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. Shashishekhar Balkrishna 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
2	Mr. Sachin Dattatraya 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

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 Director:Nil

B. Remuneration to other directors:Nil

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD : N.A.

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
July 25, 2018

Shashishekhar B. Pandit
Chairman

Independent Auditors' Report

To
The Members of
KPIT Engineering Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of KPIT Engineering Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period from 8 January 2018 to 31 March 2018, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 thereunder.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its loss (including other comprehensive income), changes in equity and its cash flows for the period from 8 January 2018 to 31 March 2018.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the period ended 31 March 2018.

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

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: 25 April 2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2018

With reference to the Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the period from 8 January 2018 to 31 March 2018, we report that:

(i) (a) According to the information and explanations given to us, the Company did not have any fixed assets during the period from 8 January 2018 to 31 March 2018. Accordingly, the provisions of clause 3(i)(a), 3(i)(b) and 3(i)(c) of the Order are not applicable.

(ii) The Company is a service company, primarily rendering software services. Accordingly, it does not hold any inventory. Thus, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) The Company has not accepted any deposits in accordance with the provisions of sections 73 to 76 of the Act and the rules made there under.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Sales tax, Service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues have generally been regularly deposited during the period from 8 January 2018 to 31 March 2018 by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Sales tax, Service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2018, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, value added tax or goods and service tax, duty of customs and duty of excise which have not been deposited by the Company on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the period from 8 January 2018 to 31 March 2018. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the period from 8 January 2018 to 31 March 2018. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period from 8 January 2018 to 31 March 2018.

(xi) According to the information and explanations given to us, the Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the Ind AS financial statements.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the period from 8 January 2018 to 31 March 2018. Accordingly, Paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the period from 8 January 2018 to 31 March 2018.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

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

Swapnil Dakshindas
Partner

Place: Pune

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of KPIT Engineering Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, 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 with reference to financial statements.

Meaning of Internal Financial Control with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: 25 April 2018

Balance Sheet

as at 31 March 2018

(Currency - ₹ million)

	Notes	2018
ASSETS		
Current assets		
Financial assets		
Cash and cash equivalents	2	0.95
		0.95
TOTAL		**0.95**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	3	1.00
Other equity		(2.66)
		(1.66)
LIABILITIES		
Current liabilities		
Financial liabilities		
Trade payables	4	0.09
Other financial liabilities	5	2.51
Other current liabilities	6	0.01
		2.61
TOTAL		**0.95**
Significant accounting policies	1	
Notes referred to above form an integral part of the financial statements	2 - 12	

As per our report of even date attached

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

For and on behalf of the Board of Directors of KPIT ENGINEERING LIMITED

Swapnil Dakshindas
Partner
Membership No. 113896

Shashishekhar B. Pandit
Director
DIN: 00075861

Kishor Patil
Director
DIN: 00076190

Place: Pune
Date: 25 April 2018

Place: Pune
Date: 25 April 2018

Statement of Profit and Loss

for the period from 8 January 2018 to 31 March 2018

(Currency - ₹ million)

	Notes	For the period from 8 January 2018 to 31 March 2018
Total income		-
Expenses		
Other expenses	7	2.66
Total expenses		**2.66**
Loss before and after tax		**(2.66)**

There is no other comprehensive income for the current period. Hence, the Statement of Other Comprehensive income is not prepared.

Earnings per equity share for continuing operations (face value per share ₹ 10 each)

Basic	12	(30.24)
Diluted	12	(30.24)
Significant accounting policies	1	
Notes referred to above form an integral part of the financial statements	2 - 12	

As per our report of even date attached

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

For and on behalf of the Board of Directors of KPIT ENGINEERING LIMITED

Swapnil Dakshindas
Partner
Membership No. 113896

Shashishekhar B. Pandit
Director
DIN: 00075861

Kishor Patil
Director
DIN: 00076190

Place: Pune
Date: 25 April 2018

Place: Pune
Date: 25 April 2018

Statement of Changes in Equity

A Equity share capital

(Currency - ₹ million)

Equity share capital issued during the period	1.00
Balance as at 31 March 2018	**1.00**

B Other equity

(Currency - ₹ million)

Particulars	Reserves & Surplus	Total equity
	Retained earnings	
Loss for the period	(2.66)	(2.66)
Balance as on 31 March 2018	**(2.66)**	**(2.66)**
Significant accounting policies	**1**	
Notes referred to above form an integral part of the financial statements	**2 - 12**	

As per our report of even date attached

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

For and on behalf of the Board of Directors of KPIT ENGINEERING LIMITED

Swapnil Dakshindas
Partner
Membership No. 113896

Shashishekhar B. Pandit
Director
DIN: 00075861

Kishor Patil
Director
DIN: 00076190

Place: Pune
Date: 25 April 2018

Place: Pune
Date: 25 April 2018

Cash Flow Statement

for the period from 8 January 2018 to 31 March 2018

(Currency - ₹ million)

PARTICULARS	For the period from 8 January 2018 to 31 March 2018
A] CASH FLOW FROM OPERATING ACTIVITIES	
Loss for the period	(2.66)
Adjustments for changes in working capital:	
Increase in Trade Payables	0.09
Increase in Other financial liabilities, other liabilities and provisions	2.52
Net cash used in operating activities (A)	**(0.05)**
B] CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of Share Capital	1.00
Net cash from financing activities (B)	**1.00**
Net Increase in cash and cash equivalents (A + B)	**0.95**
Cash and cash equivalents at close of the period (refer note 1 below)	0.95
Cash surplus for the period	**0.95**
Note 1:	
Cash and cash equivalents include:	
Balance with banks	
- In current accounts	0.95
Total Cash and cash equivalents	**0.95**

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.

As per our report of even date attached

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

For and on behalf of the Board of Directors of KPIT ENGINEERING LIMITED

Swapnil Dakshindas
Partner
Membership No. 113896

Shashishekhar B. Pandit
Director
DIN: 00075861

Kishor Patil
Director
DIN: 00076190

Place: Pune
Date: 25 April 2018

Place: Pune
Date: 25 April 2018

Notes forming part of the financial statements

for the period from 8 January 2018 to 31 March 2018

Corporate Information

KPIT Engineering Limited ("the Company") is a public limited company incorporated on 8th January, 2018 under the Companies Act, 2013. The Company is wholly owned subsidiary of KPIT Technologies Limited ("holding company"). The Company's registered office is in Pune.

The Company provides Software Development 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 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 millions of Indian rupees rounded off to two decimal places, unless otherwise stated.

Since the Company is incorporated on 8 January 2018, there are no comparatives in these financial statements.

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 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.

Liabilities

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.

1.3 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.

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.

1.4 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.

1.5 Provisions:

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 at the time value of money and the risks specific to the liability.

1.6 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 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.

(Currency - ₹ million)

		31 March 2018
2	**Cash and cash equivalents**	
	Balances with banks	0.95
	- In current accounts	**0.95**

Note:

Information about the Company's exposure to Credit risk, Market risk & liquidity risk is disclosed in note 11.

(Currency - ₹ million)

		31 March 2018
3	**Equity share capital**	
	Authorised:	
	25,000,000 equity shares of ₹ 10 each.	250.00
		250.00
	Issued subscribed and fully paid up:	
	100,000 equity shares of ₹ 10 each fully paid up	1.00
		1.00

3.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	31 March 2018	
	Number of shares	(₹ million)
Equity shares		
Shares issued during the period	100,000	1.00
Outstanding at the end of the period	**100,000**	**1.00**

3.2 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.

3.3 Number of equity shares held by each shareholder holding more than 5% shares in the Company are as follows:

Name of the shareholders	Number of shares as at 31 March 2018	% of shares held
KPIT Technologies Limited (Holding Company)	**99,994**	**99.99%**

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive a share in the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Capital management

Currently, the capital management policy of the Company is primarily driven by the holding company. The Company is funded only by equity funds. The Board of Directors at regular intervals monitors the capital requirement of the Company and decides upon the mode of additional funding, which could be either through equity infusion or debt infusion.

(Currency - ₹ million)

		31 March 2018
4	**Trade payables**	
	Trade payables (Refer Note 9)	0.09
		0.09

Note:

Information about the Company's exposure to Credit risk, Market risk & liquidity risk is disclosed in note 11.

(Currency - ₹ million)

		31 March 2018
5	**Other current financial liabilities**	
	Payable to related party (Refer note 10)	2.51
		2.51

(Currency - ₹ million)

		31 March 2018
6	**Other current liabilities**	
	Statutory liabilities	0.01
		0.01

(Currency - ₹ million)

		For the period from 8 January 2018 to 31 March 2018
7	**Other expenses**	
	Rates and taxes	2.51
	Auditor's remmuneration	
	- Audit fees	0.05
	- Fees for other services	0.05
	Legal and professional fees	0.05
		2.66

8 Contingent liabilities:

The Company has no liabilities of contingent nature outstanding as at 31 March 2018.

9 Disclosure as per the requirement of section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:

There are no Micro and Small Enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owed dues either during the period or as at 31 March 2018.

10 Related party transactions:

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

Relationship	Name of related party
Holding Company	KPIT Technologies Limited

B. List of Key Management Personnel :

Key Management Personnel (KMP)	Mr. S.B.(Ravi) Pandit	Executive Director
	Mr. Kishor Patil	Executive Director
	Mr. Sachin Tikekar	Executive Director

C. Transactions with related parties*

Sr. no.	Name of the related party	Description of relationship	Nature of transaction	Amount of transaction 2017-18 (₹)	Balance receivable / (payable) as at 31 March 2018 (₹)
1	KPIT Technologies Limited	Holding Company	Issue of equity	1.00	-
			Reimbursement of incorporation expenses	2.51	(2.51)

* All transactions with these related parties are priced on an arm's length basis.

11 Financial Instruments

11.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories as on 31 March 2018 are as follows:

Particulars	Amortised cost	Total carrying value	Total fair value
Assets			
Cash and cash equivalents	0.95	0.95	0.95
Total Assets	**0.95**	**0.95**	**0.95**
Liabilities			
Trade payables	0.09	0.09	0.09
Other financial liabilities	2.51	2.51	2.51
Total Liabilities	2.60	2.60	2.60

11.2 Fair value hierarchy

Financial assets and liabilities include cash and cash equivalents, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities.

11.3 Financial risk management

Credit Risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty to financial instruments fails to discharge its contractual obligations. The Company held cash and cash balances of ₹ 0.95 million as on 31 March 2018. The cash and bank balances are held with banks which have high credit ratings assigned by international credit rating agencies. Hence the Company does not have significant credit risk

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a view of maintaining liquidity and to take minimum possible risk while making investments. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

The liquidity position as at 31 March 2018 is given below:

Particulars	31 March 2018
Cash and cash equivalents	0.95

Remaining contractual maturities of financial liabilities as on 31 March 2018:

Particulars	31 March 2018
Trade payables (less than 1 year)	0.09
Other Financial liabilities (less than 1 year)	2.51
Total	**2.60**

Market Risk

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is not exposed to foreign exchange risk and interest rate risk since it does not hold any foreign exchange assets / liabilities and interest bearing financial assets and liabilities as of 31 March 2018.

12 Basic and diluted earnings per share

Particulars		FY 2017-18
Nominal value per equity share	₹	10.00
Loss for the period	₹ million	(2.66)
Weighted average number of equity shares*	No. of shares	87,952
Earnings per share- Basic	₹	(30.24)
Earnings per share - Diluted	₹	(30.24)

* The shares have been allotted on 18 January 2018.

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

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: 25 April 2018

For and on behalf of the Board of Directors of KPIT ENGINEERING LIMITED

Shashishekhar B. Pandit
Director
DIN: 00075861

Kishor Patil
Director
DIN: 00076190

Place: Pune
Date: 25 April 2018

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