

Zensar Technologies IM B.V.
Balance Sheet
(All amounts in Euro thousands, unless otherwise stated)

Balance Sheet as at	Notes	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
(a) Property, plant and equipment	4	1	6
(b) Other non-current financial assets	5 (b)	9	9
(c) Other non-current assets	6	0	81
Total Non-current assets		10	96
Current assets			
(a) Inventories	7	-	5
(b) Financial assets			
i. Trade receivables	5 (a)	13,714	16,327
ii. Cash and cash equivalents	5 (c)	1,718	1,074
iii. Other financial assets	5 (d)	653	813
(c) Other current assets	8	78	78
Total current assets		16,163	18,297
Total assets		16,173	18,393
Equity and liabilities			
Equity			
(a) Equity share capital	9 (a)	18	18
(b) Other equity			
i. Reserves and surplus	9 (b)	1,833	1,863
Total equity		1,851	1,881
Liabilities			
Current liabilities			
(a) Financial liabilities			
i. Trade payables	10	12,565	14,064
ii. Other financial liabilities	11	31	212
(b) Employee benefit obligations	12	147	102
(c) Other current liabilities	13	1,353	1,884
(d) Income tax liabilities (net)	14	226	250
Total current liabilities		14,322	16,512
Total equity and liabilities		16,173	18,393

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors of
Zensar Technologies IM B.V.

Hemant M. Joshi
Partner
Place: Pune
Date: June , 2018

Director

Director

Place: Pune
Date: June , 2018

Zensar Technologies IM B.V.
Statement of Profit and Loss
(All amounts in Euro thousands, unless otherwise stated)

Statement of Profit and Loss for the	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Income			
(a) Revenue from operations	15	6,697	8,518
(b) Other income	16	99	102
Total income		6,796	8,620
Expenses			
(a) Purchase of licenses for software applications		-	143
(b) Employee benefits expense	17	1,506	1,972
(c) Subcontracting costs		1,039	852
(d) Finance costs	18	8	6
(e) Depreciation and amortisation expense	19	5	11
(f) Other expenses	20	4,268	5,160
Total expenses		6,826	8,144
Profit/ (Loss) before tax		(30)	476
Tax expense	21		
(a) Current tax		-	246
(b) Deferred tax		-	-
Total tax expense		-	246
Profit/ (Loss) for the year		(30)	230
Other comprehensive income			
I) Items that will not be reclassified to profit or loss		-	-
II) Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(30)	230
Earnings per share - [nominal value per share Euro 1 (March 31, 2017: Euro 1)]			
- Basic and Diluted		(2)	13

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Chartered Accountants

For and on behalf of the Board of Directors of
Zensar Technologies IM B.V.

Hemant M. Joshi
Partner
Place: Pune
Date: June , 2018

Director

Director

Place: Pune
Date: June , 2018

Zensar Technologies IM B.V.
Statement of changes in equity
(All amounts in Euro thousands, unless otherwise stated)

Equity share capital

Balance as at March 31, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
18	-	18
Balance as at March 31, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
18	-	18

	Notes	Reserves and Surplus	
		Retained earnings	Total
Balance as at March 31, 2016		1,633	1,633
Profit for the year	9 (c)	230	230
Total comprehensive income for the year		230	230
Balance as at March 31, 2017		1,863	1,863
Profit for the year	9 (c)	(30)	(30)
Total comprehensive income for the year		(30)	(30)
Balance as at March 31, 2018		1,833	1,833

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In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors of
Zensar Technologies Limited

Hemant M. Joshi
Partner
Place: Pune
Date: June , 2018

Director

Director

Place: Pune
Date: June , 2018

Zensar Technologies IM B.V.
Statement of Cash Flows for year ended March 31, 2018
(All amounts in Euro thousands, unless otherwise stated)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Cash flow from operating activities				
Profit before taxation		(30)		476
Adjustments for:				
Depreciation and amortisation	5		11	
Finance costs	8		6	
Allowance for doubtful debts	499		475	
Allowance for doubtful advances and deposits	34		-	
Unrealised exchange gains / (loss)	(23)	523	(84)	408
Operating profit before working capital changes		493		884
Change in operating assets and liabilities				
(Increase)/ decrease in other non current assets	81		(78)	
(Increase)/ decrease in trade receivables	2,248		(3,685)	
(Increase)/ decrease in other current assets	139		1,148	
Decrease / (increase) in Inventories	5		87	
Increase/ (decrease) in trade payables	(1,500)		2,135	
Increase/ (decrease) in other current financial liabilities	(181)		173	
Increase/ (decrease) in employee benefit obligations	45		37	
Increase/ (decrease) in other current liabilities	(543)	294	(285)	(468)
Cash generated from operations		787		416
Income taxes paid (net of refunds)		(24)		(250)
Net cash inflow from operating activities		763		166
Net cash used in investing activities		-		-
Cash flow from financing activities				
Interest paid	(8)		(6)	
Net cash used in financing activities		(8)		(6)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(111)		(55)
Net increase/(decrease) in cash and cash equivalents		644		105
Cash and cash equivalents at the beginning of the year		1,074		969
Cash and cash equivalents at the end of the year		1,718		1,074

Notes:

a. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

b. Cash and cash equivalents comprise of:

	As at March 31, 2018	As at March 31, 2017
Balances with banks	1,718	1,074
Total	1,718	1,074

See accompanying notes to the financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors of
Zensar Technologies IM B.V.

Hemant M. Joshi
Partner
Place: Pune
Date: June , 2018

Director

Director

Place: Pune
Date: June , 2018

1. Background

Zensar Technologies IM B.V. (erstwhile Akibia BV) provides information technology services in the following areas: IT hardware maintenance, outsourcing, consulting and other professional services for the support of data centers. Through its Product business, the Company delivers secure network infrastructure solutions to improve productivity, network security and efficiency, through consulting services, telephone support, and the resale of security and networking software and devices, and related maintenance.

2. Summary of significant accounting policies

a. Basis of preparation

(i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) which are measured at fair value;
- defined benefit plans - plan assets measured at fair value;
- share-based payments and
- assets and liabilities arising in a business combination

(iii) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current -non current classification of assets and liabilities.

b. Foreign currency translation

(i) Functional and presentation currency:

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

(ii) Transactions and balances

- Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Profit or Loss and reported within foreign exchange gains/(losses), except when deferred in other comprehensive income as qualifying cash flow hedges.

- A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

- Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other comprehensive income or profit or loss are also recognised in Other comprehensive income or profit or loss, respectively).

c. Revenue Recognition

The Company derives revenue primarily from IT hardware maintenance, outsourcing, consulting and other professional services for the support of data centers. Through its Product business, the Company delivers secure network infrastructure solutions to improve productivity, network security and efficiency, through consulting services, telephone support, and the resale of security and networking software and devices, and related maintenance.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, discounts, value added taxes and other amounts collected on behalf of third parties.

The company recognised revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The Company estimates its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Time and material contracts:

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

(ii) Fixed-price contracts:

Revenues from fixed-price contracts, including IT Infrastructure development and integration contracts are recognized using the “percentage-of-completion” method. Percentage of completion is determined based on efforts or costs incurred to date as a percentage of total estimated efforts or costs required to complete the project. The efforts or cost expended are used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of income in the period in which such losses become probable based on the current contract estimates.

‘Unbilled revenues’ represent earnings in excess of billings as at the end of the reporting period. ‘Unearned revenues’ represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as ‘Advance from customers’.

(iii) Maintenance contracts:

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion. In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

(iv) Sale of network and security products:

Revenue from sale of network and security products are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

d. Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income. The Company has jurisdiction in Netherlands.

(i) Current Income Tax:

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period.

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 liability simultaneously.

(ii) Deferred Tax:

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

e. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee:

Finance Lease: Leases of property, plant and equipment, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Operating lease: Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the statement of profit or loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Deposits provided to lessors: The Company is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments. Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

f. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

g. Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents include balances with banks, which are subject to insignificant risk of change in value.

h. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

i. Investments and other financial assets
(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(iii) Measurement

Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised 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 (FVTOCI):

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. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL):

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

(iv) Impairment of financial assets

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. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, 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.

(v) Derecognition of financial assets

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.
- retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset.

(vi) Income Recognition
Interest Income:

Interest income from debt instruments is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive the payment is established, which is generally when shareholders approve the dividend, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

j. Financial Liabilities
(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

(ii) Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts:

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment. No adjustment to cost of investment is carried out in case the compensation for such guarantee is equivalent to the contractual cashflow differential with guarantee and without guarantee.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

k. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

I. Property, plant and equipment
(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance costs are charged to profit and loss in the reporting period in which they occur.

An item of Property, Plant & Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

The cost of property, plant and equipment not available for use before year end date are disclosed under capital work- in-progress.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(ii) Depreciation

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.

- retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset.

Class of asset	Useful life as followed by the Company
Data Processing Equipments - Networking Equipments and Servers	3-4 years
Leasehold Improvements	5 year
Furniture and Fixtures	5 years
Office Equipments	4 years

Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate and where appropriate.

m. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material)

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. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

n. Employee benefits

(i) Post-employment and pension plans

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

The Company has the following employee benefit plans: Defined contribution plan in nature

Social Security Fund:

The Company has Defined Contribution Plans for Post-employment benefits for all employees in the form of Social Security Fund. These funds are classified as defined contribution plans as the Company has no further obligation beyond making the contributions as per plan. The Company's contributions to Defined Contribution Plans are charged to the Statement of Profit and Loss as and when incurred.

(ii) Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iii) Short-term benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. Liabilities for wages and salaries including the amount expected to be paid under short-term cash bonus, expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Inventory:

Inventory consist of stores and spares materials. As per IND AS 2, the cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories, is assigned by using weighted average cost formula. The company uses the same cost formula for all inventories having a similar nature and use to the company. For inventories with a different nature or use, different cost formulas may be justified.

- P.** Inventories shall be measured at the lower of cost and net realisable value. Estimates of net realisable value (Market value) are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. (Sources being price of such spares on external website, price as confirmed by the external suppliers, price of latest purchase made by the Company in that category, etc.). The company maintains a provision/ reserve - Defective Allowance, on account of inventory which are classified as "defective". The Company also maintains the provision on inventory held but not linked to any maintenance contract, based on historical precedence.

q. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

r. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

s. Earnings per share

The basic earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date.

t. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to nearest thousands ,unless otherwise stated.

**u. Recent accounting pronouncements
Standards issued but not yet effective**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is in process of evaluating the impact on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition: • Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors • Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Company is in process of evaluating the impact on the financial statements.

Zensar Technologies IM B.V.

Notes to the financial statements as at and for the year ended March 31, 2018

3. Critical estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those 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 and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

The areas involving critical estimates and/or judgements are:

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 Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The policy for the same has been explained under note 2(d).

c Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2(l).

d Other estimates

- i. The Company estimates the uncollectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.
- ii. The Company estimates the usability of the inventory held not linked to any maintenance contract, based on historical precedence.
- iii. Defective Allowance: Reserve Factor is estimated, depending upon past experience to determine the amount to be provided for against the inventory classified as "Defective".

Zensar Technologies IM B.V.

Notes to the financial statements as at and for the year ended March 31, 2018

(All amounts in Euro thousands, unless otherwise stated)

4 Property, plant and equipment

Particulars	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Total
Gross carrying amount					
As at April 1, 2016	304	62	29	346	741
Additions					-
Disposals/Adjustments					-
Transfers					-
Gross carrying amount as at March 31, 2017	304	62	29	346	741
Accumulated Depreciation					
As at April 1, 2016	304	57	28	335	724
Depreciation during the year		3	1	7	11
Accumulated depreciation as at March 31, 2017	304	60	29	342	735
Net carrying amount as at March 31, 2017	-	2	0	4	6

Particulars	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Total
Gross carrying amount					
As at April 1, 2017	304	62	29	346	741
Additions	-				-
Disposals/Adjustments					-
Transfers	-	-	-	-	-
Gross carrying amount as at March 31, 2018	304	62	29	346	741
Accumulated Depreciation					
As at April 1, 2017	304	60	29	342	735
Depreciation during the year	-	2	0	3	5
Accumulated depreciation as at March 31, 2018	304	62	29	345	740
Net carrying amount as at March 31, 2018	-	-	-	1	1

Zensar Technologies IM B.V.**Notes to the financial statements as at and for the year ended March 31, 2018****(All amounts in Euro thousands, unless otherwise stated)****5 Financial assets****(a) Trade receivables**

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Considered good	13,714	16,327
Considered doubtful	850	429
	14,564	16,757
Less: allowance for doubtful trade receivables	850	429
Total trade receivables	13,714	16,327
Current portion	13,714	16,327
Non- current portion	-	-

(b) Other financial assets : Non current

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits	9	9
Total other financial assets : Non current	9	9

(c) Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks : - In current accounts	1,718	1,074
Total cash and cash equivalents	1,718	1,074

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.

(d) Other financial assets : Current

Particulars	As at March 31, 2018	As at March 31, 2017
Unbilled Revenue	653	813
Total other financial assets : Current	653	813

Zensar Technologies IM B.V.**Notes to the financial statements as at and for the year ended March 31, 2018****(All amounts in Euro thousands, unless otherwise stated)****6 Other non-current assets**

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	0	81
Total other non-current assets	0	81

7 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
Inventories	-	5
Total inventories	-	5

8 Other current assets

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Advances other than capital advances: - advances to suppliers	2	-
Others: - Prepaid expenses	68	40
- Statutory receivables	8	38
Total other current assets	78	78

Zensar Technologies IM B.V.**Notes to the financial statements as at and for the year ended March 31, 2018****(All amounts in Euro thousands, unless otherwise stated)****9 (a) Equity share capital**

Particulars	As at March 31, 2018	As at March 31, 2017
Issued, subscribed and Paid up : 18,152 equity shares of Euro 1 each (18,152 shares of Euro 1 each at March 31, 2017)	18	18
Total equity share capital	18	18

9 (b) Reserves and surplus:

Particulars	As at March 31, 2018	As at March 31, 2017
Retained earnings	1,833	1,863
Total reserves and surplus	1,833	1,863

9 (c) Movement of Reserves and surplus

Particulars	As at March 31, 2018	As at March 31, 2017
Retained earnings Balance as at the beginning of the year Add: Profit for the year	1,863 (30)	1,633 230
Balance as at the end of the year	1,833	1,863

9 (d) Retained earnings:

Retained earnings represents Company's undistributed earnings after taxes.

Zensar Technologies IM B.V.

Notes to the financial statements as at and for the year ended March 31, 2018

(All amounts in Euro thousands, unless otherwise stated)

10 Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Trade payables [Refer note 24]	12,565	14,064
Total trade payables	12,565	14,064

11 Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Accrued salary benefits	31	212
Total other current financial liabilities	31	212

12 Employee benefit obligations

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for compensated absences	147	102
Total employee benefit obligations	147	102

13 Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory dues	97	118
Unearned revenue	1,256	1,766
Total other current liabilities	1,353	1,884

14 Income taxes

Particulars	As at March 31, 2018	As at March 31, 2017
Income tax assets (net)	-	-
Income tax liabilities (net)	226	250
Net current income tax assets / (liability)	(226)	(250)

Zensar Technologies IM B.V.**Notes to the financial statements as at and for the year ended March 31, 2018****(All amounts in Euro thousands, unless otherwise stated)****15 Revenue from operations**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Software development and allied services	6,697	8,518
Total revenue from operations	6,697	8,518

16 Other income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net foreign exchange gain / (loss)	36	15
Provisions no longer required and credit balances written back (net)	-	87
Miscellaneous Income	63	0
Total other income	99	102

17 Employee benefit expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	1,230	1,700
Contribution to provident and other funds	263	234
Staff welfare expenses	13	38
Total employee benefit expense	1,506	1,972

18 Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Bank charges	8	6
Total finance Costs	8	6

19 Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of Property, plant and equipment	5	11
Total depreciation and amortisation expense	5	11

Zensar Technologies IM B.V.
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in Euro thousands, unless otherwise stated)
20 Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent	1,041	1,072
Rates and taxes	0	-
Electricity and power	32	62
Travelling and conveyance	180	285
Recruitment expenses	-	8
Training expenses	4	4
Repairs and maintenance to :		
-Data Processing Equipments	-	1
-Building	17	19
-Others	-	8
Insurance	35	22
Legal and professional charges	113	181
Communication expenses	41	48
General Office expenses	4	6
	1,746	2,307
Cost of spare parts and outsourced services in support of computer hardware		
Carriage, freight and octroi	517	652
Allowance for doubtful debts		
- Provided during the year	420	429
- Bad debts written off	79	45
- Less: Reversed during the year	-	-
	499	475
Allowance for doubtful advances and deposits		
- Provided during the year	22	-
- Bad debts written off	12	-
- Less: Reversed during the year	-	-
	34	-
Miscellaneous expenses	5	10
Total other expenses	4,268	5,160

21 Tax expense

This note provides an analysis of Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non- assessable and non-deductible items. It also explains significant estimates made in relation to Company's tax positions

	March 31, 2018	March 31, 2017
Income tax expense		
Current Tax		
Current tax on profits for the year	-	246
Adjustment for current tax of prior periods	-	-
Total current tax expense	-	246
Deferred tax		
Decrease / (increase) in deferred tax assets	-	-
(Decrease) / increase in deferred tax liabilities	-	-
Total deferred tax expense / (benefit)	-	-
Income tax expense	-	246

Zensar Technologies IM B.V.

Notes to the financial statements as at and for the year ended March 31, 2018

(All amounts in Euro thousands, unless otherwise stated)

22 Fair value measurements

Financial instruments by category:

Particulars	March 31, 2018				March 31, 2017			
	FVTPL	FVTOCI	Amortised cost	Total	FVTPL	FVTOCI	Amortised cost	Total
Financial assets								
Investments:								
Trade receivables	-	-	13,714	13,714	-	-	16,327	16,327
Cash and cash equivalents	-	-	1,718	1,718	-	-	1,074	1,074
Security deposits	-	-	9	9	-	-	9	9
Unbilled revenue	-	-	653	653	-	-	813	813
Total financial assets	-	-	16,094	16,094	-	-	18,223	18,223
Financial liabilities								
Trade payables	-	-	12,565	12,565	-	-	14,064	14,064
Other financial liabilities	-	-	31	31	-	-	212	212
Total financial liabilities	-	-	12,596	12,596	-	-	14,276	14,276

(i) Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value, and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchange is valued using the closing price as at the reporting period.

Level 2: Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument as observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets.

(ii) As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-

- 1.Trade receivables
- 2.Cash and cash equivalent
- 3.Security deposits
- 4.Unbilled revenue
- 5.Receivable from subsidiaries for reimbursement of expenses
- 6.Trade payables
- 7.Accrued salary benefits
- 8.Payable to related parties
- 9.Other Payables

Zensar Technologies IM B.V.**Notes to the financial statements as at and for the year ended March 31, 2018****(All amounts in Euro thousands, unless otherwise stated)****23 Financial risk management**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments - foreign currency forward contracts to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

(a) Market Risk**(i) Foreign currency risk**

The Company operates internationally and a major portion of the business is transacted in more than one currency and consequently the Company is exposed to foreign exchange risk through its sales and services in the Netherlands, United States, United Kingdom and elsewhere, and purchases from overseas suppliers in various foreign currencies. The exchange rate between the euro and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations gets affected as the euro appreciates/ depreciates against these currencies. The Company evaluates exchange rate exposure arising from these transactions.

aa The Company's unhedged exposure to foreign currency risk as of March 31, 2018 expressed in Euro, is as follows:

	March 31, 2018		
	GBP	USD	Total
Financial assets			
Cash and cash equivalents	294	710	1,004
Trade receivables	371	557	928
Unbilled revenue	-	318	318
Financial liabilities			
Trade payables	35	31	66
Employee benefit obligations	24	-	24
Other liabilities	50	174	224
Net assets / (liabilities)	556	1,380	1,936

ab The Company's unhedged exposure to foreign currency risk as of March 31, 2017 expressed in Euro, is as follows:

	March 31, 2017		
	GBP	USD	Total
Financial assets			
Cash and cash equivalents	481	237	718
Trade receivables	722	1,216	1,938
Unbilled revenue	-	807	807
Financial liabilities			
Trade payables	67	59	119
Employee benefit obligations	42	47	89
Other liabilities	78	98	176
Net assets / (liabilities)	1,016	2,063	3,079

(b) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to euro 13,714 thousands and euro 16,327 thousands as of March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to euro 653 thousand and euro 813 thousand as of March 31, 2018 and March 31, 2017, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers located in the Europe, United States, United Kingdom and elsewhere. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of IND AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The company uses a matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue. The provision matrix takes into account available external and internal credit risk factors and company's historical experience for customers.

ba The following table gives details in respect of percentage of revenues generated from top customer and top five customers, other than related parties:

	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from top customer	11.63%	9.73%
Revenue from top five customers	43.57%	40.13%

bb The allowance for life time expected credit loss on customer balances for the year ended March 31, 2018 and March 31, 2017 was Eur 850 thousand and Eur 429 thousand, respectively. The increase of allowance for life time expected credit losses on customer balances for the year ended March 31, 2018 was Eur 420 thousand and Eur 429 thousand in March 31, 2017.

	March 31, 2018	March 31, 2017
Balance at the beginning of the year	429	-
Allowance for doubtful debts	420	429
Reversal of allowance for doubtful debts	-	-
Balance at the end of the year	850	429

bc Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of March 31, 2018, cash and cash equivalents are held with major banks and financial institutions.

- ca The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date. The amounts include estimated interest payments and exclude the impact of netting agreements, if any.

	As at March 31, 2018				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Trade payables	12,565	12,565	-	-	12,565
Other liabilities	31	31	-	-	31

	As at March 31, 2017				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Trade payables	14,064	14,064	-	-	14,064
Other liabilities	212	212	-	-	212

Zensar Technologies IM B.V.
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD thousands, unless otherwise stated)
24 Related party disclosures
A List of related parties
(i) List of subsidiaries

Name	Country of Incorporation	Relationship
Zensar Technologies Limited	United States of America	Ultimate Holding Company
Zensar Technologies Inc.	United States of America	Holding Company
PSI Holding Group Inc.	United States of America	Holding Company
Zensar Technologies IM Inc.	United States of America	Fellow Subsidiary
Zensar Technologies (Singapore) Pte. Limited	Singapore	Fellow Subsidiary
Zensar (Africa) Holdings Proprietary Limited	South Africa	Fellow Subsidiary
Zensar Technologies (Shanghai) Company Limited	China	Fellow Subsidiary
Zensar Technologies (UK) Limited	United Kingdom	Fellow Subsidiary
Professional Access Limited	United States of America	Fellow Subsidiary
Keystone Logic Inc.	United States of America	Fellow Subsidiary
Zensar Info Technologies (Singapore) Pte. Limited	Singapore	Fellow Subsidiary
Zensar Information Technologies Limited	India	Fellow Subsidiary
Zensar Software Technologies Limited	India	Fellow Subsidiary
Zensar IT Services Limited	India	Fellow Subsidiary
Foolproof Limited	United Kingdom	Fellow Subsidiary
Flow Interactive Limited	United Kingdom	Fellow Subsidiary
Knit Limited	United Kingdom	Fellow Subsidiary
Foolproof (SG) Pte Limited	Singapore	Fellow Subsidiary
Zensar (South Africa) Proprietary Limited	South Africa	Fellow Subsidiary

(ii) Key Management Personnel

Name	Designation	Tenure
Sandeep Kishore	Chief Executive Officer and Managing Director	
Harjott Atrii	Director	From 15 January 2018
Pinaki Kar	Director	Till 31st March 2018
Anand Mitkari	Director	

B Transactions with Related Parties

Sr. No.	Particulars	Volume of transactions during		Amount outstanding as on			
		March 31, 2018	March 31, 2017	March 31, 2018		March 31, 2017	
				Receivable	Payable	Receivable	Payable
A. Rendering of software services							
(i) Zensar Technologies IM Inc		1,221	687	11,778	-	10,661	-
Total of Rendering of software services		1,221	687	11,778	-	10,661	-
B. Tax relief to group companies/Reimbursements of expenses incurred							
(i) PSI Holding Group Inc.		-	-	-	3	-	3
Total of Tax relief to group companies/Reimbursements of expenses incurred		-	-	-	3	-	3
C. Subcontracting cost							
(i) Zensar Technologies Limited		406	278	-	349	-	612
(ii) Zensar Technologies IM Inc.		1,564	2,333	-	12,014	-	13,017
(iii) Zensar Technologies (UK) Ltd.		59	155	-	-	-	155
Total of Subcontracting cost		2,029	2,766	-	12,363	-	13,784

Zensar Technologies IM B.V.

Notes to the financial statements as at and for the year ended March 31, 2018

(All amounts in Euro thousands, unless otherwise stated)

25 Capital management

(a) Risk management

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital.

As Company's cash and bank balances are higher than net debt, hence the ratio is not applicable.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

26 Segment reporting

The Company is engaged mainly in the business of providing information technology services in IT hardware maintenance and related services. As the Company is engaged in only one operating segment, the Balance Sheet as at March 31, 2018 and Statement of Profit and Loss for the year then ended, pertain to only one operating segment.

- 27** The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by Chetan Mayur & Co, Chartered Accountants, the predecessor auditor.

For and on behalf of the Board of Directors of
Zensar Technologies IM B.V.

Director

Director

Place: Pune

Date: June , 2018