**Keystone Logic Inc**
**Balance Sheet**
**(All amounts in USD 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(a) | 25 | - |
| (b) Other intangible assets | 4(b) | - | - |
| (c) Financial assets | | | |
| i. Loans | 5 (b) | 1,500 | - |
| ii. Other financial assets | 5 (d) | 7 | 1 |
| (d) Deferred tax assets (net) | 6 | 179 | - |
| **Total Non-current assets** | | 1,711 | 1 |
| **Current assets** | | | |
| (a) Financial assets | | | |
| i. Trade receivables | 5 (a) | 1,096 | 2,123 |
| ii. Cash and cash equivalents | 5 (c) | 1,144 | 2,282 |
| iii. Other financial assets | 5 (e) | 2,887 | - |
| (b) Other current assets | 7 | 101 | 4 |
| **Total current assets** | | 5,228 | 4,409 |
| **Total assets** | | **6,939** | **4,410** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| (a) Equity share capital | 8 | 50 | 50 |
| (b) Other equity | | | |
| i. Reserves and surplus | 9 (a) & 9 (b) | 2,194 | 1,014 |
| ii. Other components of equity | | - | - |
| **Total equity** | | 2,244 | 1,064 |
| **Liabilities** | | | |
| **Non-current liabilities** | | - | - |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| i. Trade payables | 11 | 4,152 | 1,740 |
| ii. Other financial liabilities | 10 | 73 | 1,544 |
| (b) Employee benefit obligations | 12 | 70 | - |
| (c) Other current liabilities | 13 | 136 | 62 |
| (d) Income tax liabilities (net) | 14 (a) | 264 | - |
| **Total current liabilities** | | 4,695 | 3,346 |
| **Total liabilities** | | **4,695** | **3,346** |
| **Total equity and liabilities** | | **6,939** | **4,410** |

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
Keystone Logic Inc

**Hemant M. Joshi**
Partner
Place:
Date:

**Malay Verma**
Director

**Sandeep Kishore**
Director

Place:
Date:

**Keystone Logic Inc**
**Statement of Profit and Loss**
**(All amounts in USD 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 | 21,844 | 14,364 |
| (b) Other income | 16 | 5 | 3 |
| **Total income** | | **21,849** | **14,367** |
| **Expenses** | | | |
| (a) Employee benefits expense | 17 | 4,042 | 4,382 |
| (b) Subcontracting costs | | 15,898 | 9,702 |
| (c) Finance costs | 18 | 1 | 4 |
| (d) Depreciation and amortisation expense | 19 | 6 | 8 |
| (e) Other expenses | 20 | 411 | 875 |
| **Total expenses** | | **20,358** | **14,971** |
| **Profit / (Loss) before tax** | | **1,491** | **(604)** |
| **Tax expense** | 21 | | |
| (a) Current tax | | 490 | 912 |
| (b) Deferred tax | | (179) | - |
| **Total tax expense** | | 311 | 912 |
| **Profit / (Loss) for the year** | | **1,180** | **(1,516)** |
| **Other comprehensive income** | | | |
| I) (a) **Items that will not be reclassified to profit or loss** | | - | - |
| | | - | - |
| II) (a) **Items that will be reclassified to profit or loss** | | - | - |
| | | - | - |
| **Other comprehensive income for the year, net of tax** | | - | **-** |
| **Total comprehensive income / (Loss) for the year** | | **1,180** | **(1,516)** |
| **Earnings per share - [nominal value per share $ 0.001/- (March 31, 2017: $ 0.001/- )]** - Basic and diluted | | 0.02 | (0.03) |

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

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

**Hemant M. Joshi**
Partner
Place:
Date:

For and on behalf of the Board of Directors of
Keystone Logic Inc

**Malay Verma**
Director

**Sandeep Kishore**
Director

Place:
Date:

**Keystone Logic Inc**
**Statement of Cash Flows for year ended March 31, 2018**
**(All amounts in USD Thousands, unless otherwise stated)**

| **Particulars** | **Year ended March 31, 2018** | | **Year ended March 31, 2017** | |
|---|---|---|---|---|
| **Cash flow from operating activities** | | | | |
| Profit before taxation from: | | | (604) | |
| - continuing operations | | | | |
| - discontinued operations | | | | |
| Profit before taxation | | 1,491 | | (604) |
| **Adjustments for:** | | | | |
| Depreciation and amortisation | 6 | | 8 | |
| Interest income | (4) | | (1) | |
| Finance costs | 1 | | 4 | |
| Provision for doubtful debts (net) | 0 | | - | |
| | | 3 | | 11 |
| **Operating profit before working capital changes** | | **1,494** | | **(593)** |
| **Change in operating assets and liabilities** | | | | |
| (Increase)/ decrease in other non current financial assets | (4) | | - | |
| (Increase)/ decrease in trade receivables | 1,027 | | (212) | |
| (Increase)/ decrease in other current financial assets | (2,887) | | - | |
| (Increase)/ decrease in other current assets | (97) | | 37 | |
| Increase/ (decrease) in trade payables | 2,412 | | 508 | |
| Increase/ (decrease) in other current financial liabilities | (1,471) | | 1,544 | |
| Increase/ (decrease) in current employee benefit obligations | 70 | | - | |
| Increase/ (decrease) in other current liabilities | 74 | (876) | 62 | 1,939 |
| **Cash generated from operations** | | **618** | | **1,346** |
| Income taxes paid (net of refunds) | | (226) | (912) | (912) |
| **Net cash inflow from operating activities** | | **392** | | **434** |
| **Cash flow from investing activities** | | | | |
| Purchase of tangible assets | (31) | | (8) | |
| Loan given | (1,500) | | | |
| Interest income | 2 | | 1 | |
| **Net cash used in investing activities** | | **(1,529)** | | **(7)** |
| **Cash flow from financing activities** | | | | |
| Finance costs | (1) | | (4) | |
| Dividend Distributed during the year | | | (1,177) | |
| **Net cash used in financing activities** | | **(1)** | | **(1,181)** |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | | - | | - |
| **Net increase/(decrease) in cash and cash equivalents** | | **(1,138)** | | **(754)** |
| **Cash and cash equivalents at the beginning of the financial year** | | 2,282 | | 3,036 |
| **Cash and cash equivalents at the end of the financial year** | | 1,144 | | 2,282 |

**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** |
|---|---|---|
| Cash on hand | - | - |
| Funds in transit | - | - |
| Balances with banks | 1,144 | 2,282 |
| **Total** | **1,144** | **2,282** |

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
Keystone Logic Inc

**Hemant M. Joshi**
Partner
Place:
Date:

**Malay Verma**
Director

**Sandeep Kishore**
Director

Place:
Date :

**Keystone Logic Inc**
**Statement of changes in equity**
**(All amounts in USD Thousands, unless otherwise stated)**

**Equity share capital**

| Balance as at April 1, 2016 | Changes in equity share capital during the year | Balance as at March 31, 2017 |
|---|---|---|
| 50 | - | 50 |
| **Balance as at April 1, 2017** | **Changes in equity share capital during the year** | **Balance as at March 31, 2018** |
| 50 | - | 50 |

| Particulars | Notes | Reserves and Surplus | Total |
|---|---|---|---|
| | | Retained earnings | |
| **Balance as at April 1, 2016** | | 3,706 | **3,706** |
| Profit for the year | 9 (b) | - 1,516 | - **1,516** |
| **Total comprehensive income for the year** | | - **1,516** | - **1,516** |
| **Transaction with owners in their capacity as owners:** | | | - |
| Dividends paid (including Dividend Distribution Tax) | 9 (b) | - 1,176 | - **1,176** |
| **Balance as at March 31, 2017** | | **1,014** | **1,014** |
| Profit for the year | 9 (b) | 1,180 | **1,180** |
| **Total comprehensive income for the year** | | **1,180** | **1,180** |
| | | | |
| **Balance as at March 31, 2018** | | **2,194** | **2,194** |

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

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

**Hemant M. Joshi**
Partner
Place:
Date:

For and on behalf of the Board of Directors of
Keystone Logic Inc

**Malay Verma**
Director

**Sandeep Kishore**
Director

Place:
Date:

**Keystone Logic Inc**

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

## 1. Corporate Information

Keystone Logic Inc., wholly owned subsidiary of Zensar Inc, USA is a global supply chain services and solutions company. The company's goal is to enable its customers to derive significant and sustainable value from their supply chain investments while transforming their supply chains as an engine of future growth.

The financials statements for the year ended March 31, 2018 were approved by board of directors and authorised for issue on April 24, 2018.

## 2. Summary of significant accounting policies

### a. 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.

### b. Basis of preparation

### (i) 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

### (ii) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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.

### c. Foreign currency translation

**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 US Dollars (USD), which is the Company's functional and presentation currency.

### d. Revenue Recognition

The Company revenue is primarily derived from software development and related services and from the licensing of software products.
Arrangements with customers for software development and related services are either on a fixed price, fixed- time frame or on a time- and- material basis

### (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’.

**e. 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.

**(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.

**f. 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.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

**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.

**g. 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.

**h. Cash and cash equivalents**

For the purposes of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, in banks and demand deposits with financial institutions, other short-term 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 insignificant risk of change in value.

**i. 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.

**j. Financial assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either though 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 (FVOCI):**

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.

**k. 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.

**(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. 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.

**(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.

**l. 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.

**m. 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.

Freehold land is carried at historical cost and is not depreciated.

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 depreciates property, plant and equipment on a straight-line basis as per the useful lives. Useful lives of assets have been determined based on technical evaluation done by the management's expert:

| Class of asset | Useful life as followed by the Company |
|---|---|
| Networking Equipment and Servers (classified under Data Processing Equipment) | 4 years |
| Laptops and Desktops (classified under Data Processing Equipment.) | 3 years |
| Office Equipment | 5 years |
| Furniture & Fixtures | 10 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.

**n. 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.

**o. Employee benefits**

**(i) Post-employment and pension plans**

The Company has Defined Contribution Plan for Post-employment benefits for all employees in the form of Social Security Fund. This fund is classified as defined contribution plan. 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.

**(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 Profit or 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 or profit-sharing plans, 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.

**p. 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.

**q. 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.

**r. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**s.** Recent accounting pronouncements

**Standards issued but not yet effective**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, ‘Statement of cash flows’ and Ind AS 102, ‘Share-based payment.’ These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, ‘Statement of cash flows’ and IFRS 2, ‘Share-based payment,’ respectively. The amendments are applicable to the company from April 1, 2017.

## 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(e).

**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(m).

**d Provisions**

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2(n).

**Keystone Logic Inc**
**Notes to the financial statements as at and for the year ended March 31, 2018**
**(All amounts in USD Thousands, unless otherwise stated)**

## 4(a) Property, plant and equipment

| Particulars | Furniture and Fixtures | Office Equipments | Data Processing Equipments | Total |
|---|---|---|---|---|
| **Gross carrying amount** | | | | |
| **As at April 1, 2016** | 3 | 5 | 19 | 27 |
| Additions | - | 1 | 7 | 8 |
| Disposals | - | - | - | - |
| **Gross carrying amount as at March 31, 2017** | **3** | **6** | **26** | **35** |
| | | | | |
| **Accumulated Depreciation** | | | | |
| **As at April 1, 2016** | 3 | 5 | 19 | 27 |
| Depreciation during the year | - | 1 | 7 | 8 |
| **Accumulated depreciation as at March 31, 2017** | **3** | **6** | **26** | **35** |
| | | | | |
| **Net carrying amount as at March 31, 2017** | **-** | **-** | **-** | **-** |

| Particulars | Furniture and Fixtures | Office Equipments | Data Processing Equipments | Total |
|---|---|---|---|---|
| **Gross carrying amount** | | | | |
| **As at April 1, 2017** | 3 | 6 | 26 | 35 |
| Additions | 5 | 0 | 26 | 31 |
| **Gross carrying amount as at March 31, 2018** | **8** | **6** | **52** | **65** |
| | | | | |
| **Accumulated Depreciation** | | | | |
| **As at April 1, 2017** | 3 | 6 | 26 | 35 |
| Depreciation during the year | 1 | 0 | 5 | 6 |
| Disposals | | | | - |
| **Accumulated depreciation as at March 31, 2018** | **4** | **6** | **31** | **41** |
| | | | | |
| **Net carrying amount as at March 31, 2018** | **4** | **0** | **21** | **25** |

**Keystone Logic Inc**
**Notes to the financial statements as at and for the year ended March 31, 2018**
**(All amounts in USD Thousands, unless otherwise stated)**

## 4(b) Other Intangible assets

The following tables present the reconciliation of changes in carrying value of Other intangible assets :

| **Particulars** | **Softwares (Acquired)** | **Total Other intangible assets** |
|---|---|---|
| **Gross carrying amount** | | |
| **As at April 1, 2016** | 4 | **4** |
| Additions | 0 | 0 |
| **Gross carrying amount as at March 31, 2017** | **4** | **4** |
| **Accumulated Amortisation** | | |
| **As at April 1, 2016** | 4 | **4** |
| Amortisation charge for the year | 0 | 0 |
| **Accumulated amortisation as at March 31, 2017** | **4** | **4** |
| | | |
| **Net carrying amount as at March 31, 2017** | **-** | **-** |

| **Particulars** | **Softwares (Acquired)** | **Total Other intangible assets** |
|---|---|---|
| **Gross carrying amount** | **4** | **4** |
| **As at April 1, 2017** | 4 | **4** |
| Additions | | **-** |
| Transfers | - | **-** |
| **Gross carrying amount as at March 31, 2018** | **4** | **4** |
| **Accumulated Amortisation** | | |
| **As at April 1, 2017** | 4 | **4** |
| Amortisation charge for the year | | **-** |
| Disposals | - | **-** |
| **Accumulated amortisation as at March 31, 2018** | **4** | **4** |
| | | |
| **Net carrying amount as at March 31, 2018** | **-** | **-** |

**(All amounts in USD Thousands, unless otherwise stated)**

## 5 Financial assets

### 5(a) Trade receivables

(Unsecured, considered good unless otherwise stated)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Considered good | 1,096 | 2,123 |
| Considered doubtful | 0 | - |
| | **1,096** | **2,123** |
| Less: allowance for doubtful trade receivables | 0 | - |
| | | |
| **Total receivables** | **1,096** | **2,123** |
| Current portion | 1,096 | 2,123 |
| Non- current portion | - | - |

### 5(b) Loans : Non current

(Unsecured and considered doubtful)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Loans to related party [refer note 25] | 1,500 | - |
| **Total** | **1,500** | **-** |

### 5(c) Cash and cash equivalents

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Balances with banks : | | |
| - In current accounts | 1,144 | 2,282 |
| **Total** | **1,144** | **2,282** |

### 5 (d) 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 | 5 | 1 |
| Interest Receivable | 2 | - |
| **Total** | **7** | **1** |

### 5 (e) Other financial assets : Current

(Unsecured and considered good unless otherwise stated)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Unbilled revenues | 2,887 | - |
| **Total** | **2,887** | **-** |

**(All amounts in USD Thousands, unless otherwise stated)**

## 6 Deferred Tax Asset (net)

The components of deferred tax assets and liabilities are as follows:

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **The major components of the deferred tax asset are** | | |
| Non Operating Loss | 246 | - |
| Allowance for doubtful debts - trade receivables | 0 | - |
| Provision for expenses allowable on payment basis | 21 | - |
| | **267** | **-** |
| **The major components of the deferred tax liability are** | | |
| Depreciation | 8 | - |
| Others | 80 | - |
| | **88** | **-** |
| **Net deferred tax asset / (liability)** | **179** | **-** |

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

### (i) Movement in deferred tax assets net

| Particulars | Non Operating Loss | Allowance for doubtful debts - trade receivables | Provision for expenses allowable on payment basis | Depreciation | Adjustment on account of change in Accounting Method | Total |
|---|---|---|---|---|---|---|
| **As at April 1, 2016** | **-** | **-** | **-** | **-** | **-** | **-** |
| (Charged)/credited: | | | | | | |
| - to statement of profit and loss | - | - | - | - | - | **-** |
| - to other comprehensive income | - | - | - | - | - | **-** |
| **As at March 31, 2017** | **-** | **-** | **-** | **-** | **-** | **-** |
| (Charged)/credited: | | | | | | |
| - to statement of profit and loss | 246 | 0 | 21 | (8) | (80) | **179** |
| - to other comprehensive income | - | - | - | - | - | **-** |
| **As at March 31, 2018** | **246** | **0** | **21** | **(8)** | **(80)** | **179** |

## 7 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 employees | 5 | - |
| - advances to suppliers | 53 | - |
| Others: | | |
| - Prepaid expenses | 38 | - |
| - Others | 5 | 4 |
| **Total** | **101** | **4** |

**(All amounts in USD Thousands, unless otherwise stated)**

## 8 Equity share capital

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Issued, subscribed and Paid up :**<br>5,00,00,000 equity shares of USD. 0.001 each<br>(5,00,00,000 shares of $0.001 each at March 31, 2017) | 50 | 50 |
| **Total** | **50** | **50** |

**(i) Reconciliation of the shares outstanding as at the beginning and at the end of the year:**

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | Nos | USD | Nos | USD |
| At the beginning of the year | 50,000,000 | 50 | 50,000,000 | 50 |
| Outstanding at the end of the year | **50,000,000** | **50** | **50,000,000** | **50** |

**(ii) Terms/rights attached to equity shares**

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of 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.

**(iii) Details of shareholders holding more than 5% of the aggregate shares in the company**

| Name of shareholder | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | % | Number of shares | % | Number of shares |
| Keystone Logic Solutions Private Limited | - | - | 100% | 50,000,000 |
| Zensar Technologies Inc | 100% | 50,000,000 | - | - |

**(iv)** Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding March 31, 2018 - Nil

**Keystone Logic Inc**
**Notes to the financial statements as at and for the year ended March 31, 2018**
**(All amounts in USD Thousands, unless otherwise stated)**

## 9 (a) Reserves and surplus:

| **Particulars** | **As at March 31, 2018** | **As at March 31, 2017** |
|---|---|---|
| Retained earnings | 2,194 | 1,014 |
| **Total reserves and surplus** | **2,194** | **1,014** |

## 9 (b) 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 | 1,014 | 3,706 |
| Add: Profit / (Loss) for the year | 1,180 | (1,516) |
| | - | - |
| Less: Equity Dividends paid (including Dividend Distribution Tax) | - | 1,176 |
| **Balance as at the end of the year** | **2,194** | **1,014** |

**(All amounts in USD Thousands, unless otherwise stated)**

## 10 Other financial liabilities

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Accrued salary and benefits | 73 | 1,544 |
| **Total** | **73** | **1,544** |

## 11 Trade payables

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Current** | | |
| Trade payables | 4,152 | 1,740 |
| **Total** | **4,152** | **1,740** |

## 12 Employee benefit obligations

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Current** | | |
| Provision for compensated absences | 70 | - |
| **Total** | **70** | **-** |

**12 (i) Defined contribution plans:**

The Company has recognised the following amounts in the Statement of Profit and Loss:

| **Particulars** | **For the year ended March 31, 2018** | **For the year ended March 31, 2017** |
|---|---|---|
| Contribution to Social Security | 201 | 243 |
| Contribution to Medicare | 53 | - |
| **Total** | **254** | **243** |

**13 Other Current liabilities**

| **Particulars** | **As at March 31, 2018** | **As at March 31, 2017** |
|---|---|---|
| Advance from customers | 105 | - |
| Unearned revenue | 31 | - |
| Statutory dues | - | 62 |
| **Total** | **136** | **62** |

**14 (a) Income taxes**

| **Particulars** | **As at March 31, 2018** | **As at March 31, 2017** |
|---|---|---|
| Income tax liabilities (net) | (264) | - |
| **Net current income tax assets / (liability)** | **(264)** | **-** |

**14 (b)**

The gross movement in the income tax asset / (liability) is as follows:

| **Particulars** | **As at March 31, 2018** | **As at March 31, 2017** |
|---|---|---|
| Net current income tax asset / (liability) at the beginning | (0) | - |
| Income tax paid | 226 | (912) |
| Current income tax expense (refer note 21 (i)) | (490) | 912 |
| Net current income tax asset / (liability) at the end | **(264)** | **(0)** |

**(All amounts in USD Thousands, unless otherwise stated)**

## 15 Revenue from operations

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Software development and allied services | 21,844 | 14,364 |
| **Total** | **21,844** | **14,364** |

## 16 Other income

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| **Interest Income from financial assets - Carried at amortised cost** | | |
| - Loan to related party | 2 | - |
| - Others | 2 | 1 |
| Miscellaneous Income | 1 | 2 |
| **Total** | **5** | **3** |

## 17 Employee benefits expense

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Salaries, wages and bonus | 3,663 | 4,015 |
| Contribution to provident and other funds (Refer note 12(i)) | 254 | 243 |
| Staff welfare expenses | 125 | 124 |
| **Total** | **4,042** | **4,382** |

## 18 Finance Costs

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Bank charges | 1 | 4 |
| **Total** | **1** | **4** |

## 19 Depreciation and amortisation expense

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Depreciation of Property, plant and equipment | 6 | 8 |
| **Total** | **6** | **8** |

## 20 Other expenses

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Rent | 45 | 32 |
| Rates and taxes | 38 | 3 |
| Electricity and power | 0 | 3 |
| Travelling and conveyance | 146 | 130 |
| Repairs and maintenance to : | | |
| -Data Processing Equipment's | 7 | 1 |
| -Building | 0 | 1 |
| Insurance | 0 | 15 |
| Legal and professional charges | 105 | 654 |
| Communication expenses | 7 | 11 |
| General Office expenses | 1 | 1 |
| Advertisement and publicity | 12 | 17 |
| **Allowance for doubtful trade receivables** | | |
| - Provided during the year | 0 | - |
| - Less: Reversed during the year | - | |
| | **0** | **-** |
| Miscellaneous expenses | 50 | 7 |
| **Total** | **411** | **875** |

**(All amounts in USD Thousands, unless otherwise stated)**

**21 Tax expense**

This note provides an analysis of Company's income tax expense 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

**(i)**

| **Particulars** | **Year ended March 31, 2018** | **Year ended March 31, 2017** |
|---|---|---|
| **Income tax expense** | | |
| ***Current Tax*** | | |
| Current tax on profits for the year | 490 | 912 |
| Adjustment for current tax of prior periods | - | - |
| **Total current tax expense** | **490** | **912** |
| | | |
| ***Deferred tax*** | | |
| Decrease / (increase) in deferred tax assets | (179) | - |
| (Decrease) / increase in deferred tax liabilities | - | - |
| **Total deferred tax expense / (benefit)** | **(179)** | **-** |
| **Income tax expense** | **311** | **912** |

**(ii) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate in India:**

| **Particulars** | **Year ended March 31, 2018** | **Year ended March 31, 2017** |
|---|---|---|
| Profit before taxes | 1,491 | (604) |
| Enacted income tax rate in India | 34.61% | 34.61% |
| **Computed expected tax expenses** | **516** | **(209)** |
| | | |
| Effect of income exempt from tax | - | - |
| Effect of non deductible expenses | 2 | - |
| Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets | (373) | - |
| Effect of different tax rates of overseas subsidiaries | 166 | 1,121 |
| | **311** | **912** |

**(All amounts in USD Thousands, unless otherwise stated)**

## 22 Fair value measurements

**Financial instruments by category:**

| Particulars | As at March 31, 2018 | | | | As at March 31, 2017 | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised cost | Total | FVTPL | FVOCI | Amortised cost | Total |
| ***Financial assets*** | | | | | | | | |
| Trade receivables | - | - | 1,096 | 1,096 | - | - | 2,123 | 2,123 |
| Loans | - | - | 1,500 | 1,500 | - | - | - | - |
| Cash and cash equivalents | - | - | 1,144 | 1,144 | - | - | 2,282 | 2,282 |
| Security deposits | - | - | 5 | 5 | - | - | 1 | 1 |
| Unbilled revenue | - | - | 2,887 | 2,887 | - | - | - | - |
| Others | - | - | 2 | 2 | - | - | - | - |
| **Total financial assets** | **-** | **-** | **6,634** | **6,634** | **-** | **-** | **4,406** | **4,406** |
| ***Financial liabilities*** | | | | | | | | |
| Trade payables | - | - | 4,152 | 4,152 | - | - | 1,740 | 1,740 |
| Other financial liabilities | - | - | 73 | 73 | - | - | 1,544 | 1,544 |
| **Total financial liabilities** | **-** | **-** | **4,225** | **4,225** | **-** | **-** | **3,284** | **3,284** |

**(i) Fair value hierarchy:**

This disclosure require company to explain 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 shall classify its financial instruments into three levels prescribed under the accounting standard. Those three levels are explained below:

**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.

Since company has not designated any financials instrument as either carried at fair value through profit and loss or carried at fair value through other comprehensive income, no disclosure has been given.

**(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. Loans
3.Cash and cash equivalent
4.Security deposits
5.Unbilled revenue
6.Other receivables
7.Trade payables
8.Employee dues

**(All amounts in USD Thousands, unless otherwise stated)**

## 23 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. 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) 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 USD 1,096 thousand and USD 2,123 thousand as of March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to Rs. USD 2,887 thousand and USD Nil 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 United States. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business.

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

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Revenue from top customer | 60.00% | 59.00% |
| Revenue from top three customers | 90.00% | 91.00% |

**ab** The allowance for life time expected credit loss on customer balances for the year ended March 31, 2018 and March 31, 2017 was USD 197 and USD Nil respectively. The increase in allowance for expected credit losses on customer balances for the year ended March 31, 2018 and March 31, 2017 was USD 197 and USD Nil respectively.

| Particulars | March 31, 2018 | March 31, 2017 |
|---|---|---|
| **Balance at the beginning of the year** | - | - |
| Translation differences | - | - |
| Allowance for doubtful debts | 0 | - |
| Write offs | - | - |
| **Balance at the end** | **0** | - |

The Company's credit period generally ranges from 60-90 days

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

### (b) 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 finance 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.

**ba 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.**

| Particulars | As at March 31, 2018 | | | | |
|---|---|---|---|---|---|
| | Contractual cash flows | | | | |
| | Carrying value | Less than 1 year | 1-2 years | 2-4 years | Total |
| Trade payables | 4,152 | 4,152 | - | - | 4,152 |
| Other liabilities | 73 | 73 | - | - | 73 |

| Particulars | As at March 31, 2017 | | | | |
|---|---|---|---|---|---|
| | Contractual cash flows | | | | |
| | Carrying value | Less than 1 year | 1-2 years | 2-4 years | Total |
| Trade payables | 1,740 | 1,740 | - | - | 1,740 |
| Other liabilities | 1,544 | 1,544 | - | - | 1,544 |

## 24 Capital management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

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

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

## 25 Related party disclosures

### A List of related parties

### (i) List of related parties

| Name | Relationship |
|---|---|
| Zensar Technologies Limited | Ultimate Parent Company |
| Zensar Technologies, Inc. | Parent Company |
| Zensar Technologies (Singapore) Pte. Limited | Fellow Subsidiary |
| Zensar Technologies (Shanghai) Company Limited | Fellow Subsidiary |
| Zensar Technologies (UK) Limited | Fellow Subsidiary |
| PSI Holding Group, Inc | Fellow Subsidiary |
| Zensar Technologies IM Inc. | Fellow Subsidiary |
| Zensar Technologies IM B.V. | Fellow Subsidiary |
| Zensar (Africa) Holdings (Pty) Ltd | Fellow Subsidiary |
| Zensar (South Africa) Proprietary Limited | Fellow Subsidiary |
| Foolproof Limited | Fellow Subsidiary |
| Flow Interactive Limited* | Fellow Subsidiary |
| Knit Limited | Fellow Subsidiary |
| Foolproof (SG) Pte Limited | Fellow Subsidiary |
| Professional Access Ltd., USA | Fellow Subsidiary |
| Zensar Advanced Technologies Limited | Fellow Subsidiary |
| Zensar Info Technologies (Singapore) Pte. Limited | Fellow Subsidiary |
| Zensar Information Technologies Limited | Fellow Subsidiary |
| Zensar Software Technologies Limited | Fellow Subsidiary |
| Zensar IT Services Limited | Fellow Subsidiary |

** Liquidated wef. November 6, 2017*

### (ii) Key Management Personnel

| Name | Designation |
|---|---|
| Sandeep Kishore | Director |
| Mallay Verma | Director |

### (iii) Entities where Key management personnel either have significant influence or are members of key management personnel of that entity:

| Name | Nature |
|---|---|
| RPG Enterprises | Entities where key management personnel have significant influence |
| Harrisons Malayalam Limited | |
| KEC International Limited | |
| Raychem RPG Limited | |
| RPG Life Sciences Limited | |
| RPG Art Foundation | |
| CEAT Speciality Tyres Limited | |
| Spencers International Hotel Limited | |
| RPG Foundation | |
| CEAT limited | |

### (iv) Entities controlled or jointly controlled by the key management personnel of the company:

None

**Keystone Logic Inc**
**Notes to the financial statements as at and for the year ended March 31, 2018**
**(All amounts in USD Thousands, unless otherwise stated)**

**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 |
| 1 | **Subcontracting costs** | | | | | | |
| (i) | Zensar Technologies Limited | 9,814 | - | - | 2,964 | - | - |
| (i) | Zensor Technologies Inc. | 225 | - | - | 225 | - | - |
| (ii) | Zensar Technologies IM Inc | 33 | - | - | 33 | - | - |
| (iv) | Professional Access Limited | 37 | - | - | 37 | - | - |
| | **Total Subcontracting costs** | **10,109** | **-** | **-** | **3,259** | **-** | **-** |
| 2 | **Reimbursement of expenses incurred (Net)** | | | | | | |
| (i) | Professional Access Limited | 3 | - | 3 | - | - | - |
| | **Total reimbursement of expenses incurred (Net)** | **3** | **-** | **3** | **-** | **-** | **-** |
| 3 | **Loans granted/ (repaid)** | | | | | | |
| (i) | Zensar Technologies Inc | 1,500 | - | 1,500 | - | - | - |
| | **Total of loans granted/ (repaid)** | **1,500** | **-** | **1,500** | **-** | **-** | **-** |
| 4 | **Interest income** | | | | | | |
| (i) | Zensar Technologies Inc | 2 | - | 2 | - | - | - |
| | **Total of interest income** | **2** | **-** | **2** | **-** | **-** | **-** |

**Keystone Logic Inc**
**Notes to the financial statements as at and for the year ended March 31, 2018**
**(All amounts in USD Thousands, unless otherwise stated)**

## 26 Contingent liabilities

| | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| (a) | Corporate Tax:<br>Matters on which the Company is in appeal | - | - |
| (b) | Claims against the Company not acknowledged as debts. | - | - |
| (c) | Bank Guarantee | - | - |

## 27 Commitments

### (a) Capital Commitments

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Property plant and equipment | - | - |
| Intangible assets | - | - |

### (b) Non- cancellable operating leases

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Future minimum lease payments in respect of non-cancellable operating leases** | | |
| Not later than one year | 20 | - |
| Later than one year and not later than five years | 25 | - |
| Later than one year and not later than five years | - | - |

## 28 Earnings per share

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|---|---|
| Profit after tax | 1,180 | (1,516) |
| **Basic Earnings Per Share** | | |
| Weighted average number of equity shares outstanding during the year (In no's) | 50,000 | 50,000 |
| **Basic EPS (USD)** | **0.02** | **(0.03)** |
| **Diluted Earnings Per Share** | | |
| Weighted average number of equity shares outstanding during the year (In no's) | 50,000 | 50,000 |
| Effect of dilutive issue of stock options (In no's) | - | - |
| Weighted average number of equity shares outstanding for diluted EPS (In no's) | 50,000 | 50,000 |
| **Diluted EPS (USD)** | **0.02** | **(0.03)** |

**Keystone Logic Inc**
**Notes to the financial statements as at and for the year ended March 31, 2018**
**(All amounts in USD Thousands, unless otherwise stated)**

**29 Segment reporting**

The Company is engaged mainly in the business of providing supply chain support 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 pertain to only one operating segment.

**30** The financials as at and for the year ended March 31, 2017 are unaudited.

**For and on behalf of the Board of Directors of Keystone Logic Inc**

| | |
|---|---|
| **Malay Verma** | **Sandeep Kishore** |
| Director | Director |

Place:
Date: