

Zensar Technologies IM 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	423	739
(b) Other intangible assets	5	7	12
(c) Financial assets			
i. Other financial assets	6 (b)	-	45
(d) Other non-current assets	6 (e)	35	-
(e) Income tax assets (net)	15	1,500	3,053
Total Non-current assets		1,965	3,849
Current assets			
(a) Inventories	6 (f)	16,263	17,370
(b) Financial assets			
i. Trade receivables	6 (a)	24,336	11,992
ii. Cash and cash equivalents	6 (c)	1,989	1,895
iii. Other financial assets	6 (d)	4,632	3,510
(c) Other current assets	7	592	1,503
Total current assets		47,812	36,270
Total assets		49,777	40,119
Equity and liabilities			
Equity			
(a) Equity share capital	9 (a)	1	1
(b) Other equity			
i. Reserves and surplus	9 (b) & 9 (c)	13,092	14,315
Total equity		13,093	14,316
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
i. Deferred tax liabilities (net)	8	2,933	3,651
ii. Borrowing	10	-	116
Total non-current liabilities		2,933	3,767
Current liabilities			
(a) Financial liabilities			
i. Borrowings	10	7,000	4,001
ii. Trade payables	11	21,659	12,064
iii. Other financial liabilities	12	800	1,049
(b) Employee benefit obligations	13	935	866
(c) Other current liabilities	14	3,291	4,056
(d) Income tax liabilities (net)	15	66	-
Total current liabilities		33,751	22,036
Total liabilities		36,684	25,803
Total equity and liabilities		49,777	40,119

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

Zensar Technologies IM 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	16	51,708	64,029
(b) Other income	17	543	34
Total income		52,251	64,063
Expenses			
(a) Purchase of network and security products		13,927	19,187
(b) Changes in inventories of stock in trade		1,106	1,649
(c) Cost of spare parts in support of computer hardware		3,834	4,953
(d) Employee benefits expense	18	20,610	23,179
(e) Subcontracting costs		7,548	9,868
(f) Finance costs	19	269	293
(g) Depreciation and amortisation expense	20	495	723
(h) Other expenses	21	7,689	12,258
Total expenses		55,478	72,110
Profit before tax		(3,227)	(8,047)
Tax expense	22		
(a) Current tax		(730)	(4,144)
(b) Previous Year tax Adjustment		(556)	-
(c) Deferred tax		(718)	1,523
Total tax expense		(2,004)	(2,621)
Profit / (loss) for the year		(1,223)	(5,426)
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 /(loss) for the year, net of tax		-	-
Total comprehensive income /(loss) for the year		(1,223)	(5,426)
Earnings per share - [nominal value per share USD 0.01 (March 31, 2017: USD 0.01)]			
- Basic and Diluted		(12)	(54)

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Zensar Technologies IM Inc
Statement of changes in equity
(All amounts in USD thousands, unless otherwise stated)

(a) Equity share capital

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

(b) Other Equity

	Notes	Reserves and Surplus		Total
		Securities premium reserve	Retained earnings	
Balance as at April 1, 2016		19,994	(253)	19,741
Profit/(loss) for the year	9 (c)	-	(5,426)	(5,426)
Total comprehensive income for the year		-	(5,426)	(5,426)
Balance as at March 31, 2017		19,994	(5,679)	14,315
Profit/(loss) for the year	9 (c)	-	(1,223)	(1,223)
Total comprehensive income for the year		-	(1,223)	(1,223)
Balance as at March 31, 2018		19,994	(6,902)	13,092

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Zensar Technologies IM 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 /(loss) before taxation		(3,227)		(8,047)
Adjustments for:				
Depreciation and amortisation	495		723	
Miscellaneous Income	4		-	
Finance costs	269		293	
Allowance for doubtful debts	(317)		1,853	
Unrealised exchange gains / (losses)	247	698	(203)	2,666
Operating profit before working capital changes		(2,529)		(5,381)
Change in operating assets and liabilities				
(Increase)/ decrease in other non current financial assets	45		-	
(Increase)/ decrease in other non current assets	(35)		-	
(Increase)/ decrease in trade receivables	(12,292)		765	
(Increase)/ decrease in other current financial assets	(1,123)		3,671	
(Increase)/ decrease in other current assets	912		(256)	
(Increase)/ decrease in inventories	1,107		1,649	
Increase/ (decrease) in non current provisions	-		(6,896)	
Increase/ (decrease) in employee benefit obligations	69		871	
Increase/ (decrease) in trade payables	9,595		5,700	
Increase/ (decrease) in other financial liabilities	(249)		26	
Increase/ (decrease) in other current liabilities	(885)	(2,856)	2,897	8,427
Cash generated from operations		(5,385)		3,046
Income taxes paid (net of refunds)		2,905		757
Net cash inflow from operating activities		(2,480)		3,803
Cash flow from investing activities				
Purchase of tangible/intangible assets	(174)		(174)	
Net cash used in investing activities		(174)		(174)
Cash flow from financing activities				
Interest paid	(269)		(293)	
Proceeds of short-term borrowings	4,199		-	
Repayment of short-term borrowings	(1,200)		(789)	
Repayment of long-term borrowings	-		(13)	
Net cash used in financing activities		2,730		(1,095)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		18		62
Net increase/(decrease) in cash and cash equivalents		94		2,596
Cash and cash equivalents at the beginning of the financial year		1,895		(701)
Cash and cash equivalents at the end of the financial year		1,989		1,895

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 - in current accounts	1,989	1,895
Total	1,989	1,895

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

Zensar Technologies IM Inc

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

1. Background

Zensar Technologies IM Inc. (erstwhile Akibia Inc.) 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 US Dollar (USD), 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 major jurisdictions viz. Massachusetts and California in the United States for Zensar Technologies IM Inc.

(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 (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.

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.

(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 recognised 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.

(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.

l. 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 Equipment's - Networking Equipment's and Servers	3-4 years
Leasehold Premises	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. Intangible Assets

(i) Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible asset arising from development activity is recognised at cost on demonstration of its technical feasibility, the intention and ability of the Company to complete, use or sell it, only if, it is probable that the asset would generate future economic benefit and to use or sell of the asset, adequate resources to complete the development are available and the expenditure attributable to the said assets during its development can be measured reliably.

An item of Intangible assets 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 Intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

(ii) Research cost:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell of the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the period of expected future benefit, i.e. the estimated useful life of the intangible asset. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

(iii) Amortisation periods and methods: Intangible assets are amortised on straight line basis over their estimated useful lives which are as follows:

Class of asset	Useful life considered
Softwares (Acquired)	3-4 years

The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

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 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

401(k) and Social Security Fund:

The Company has Defined Contribution Plans for Post-employment benefits for all employees in the form of 401(k) Fund and 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.

p. 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.

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 Inc

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 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 Property, plant and equipment

Particulars	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Total
Gross carrying amount					
As at April 1, 2016	4,662	751	1,340	6,991	13,744
Additions	-	-	26	138	164
Gross carrying amount as at March 31, 2017	4,662	751	1,366	7,129	13,908
Accumulated Depreciation					
As at April 1, 2016	4,328	725	1,153	6,301	12,507
Depreciation during the year	207	13	101	341	662
Accumulated depreciation as at March 31, 2017	4,535	738	1,254	6,642	13,169
Net carrying amount as at March 31, 2017	127	13	112	487	739

Particulars	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Total
Gross carrying amount					
As at April 1, 2017	4,662	751	1,366	7,129	13,908
Additions	-	-	31	143	174
Gross carrying amount as at March 31, 2018	4,662	751	1,397	7,272	14,082
Accumulated Depreciation					
As at April 1, 2017	4,535	738	1,254	6,642	13,169
Depreciation during the year	127	8	52	303	490
Accumulated depreciation as at March 31, 2018	4,662	746	1,306	6,945	13,659
Net carrying amount as at March 31, 2018	0	5	91	327	423

Zensar Technologies IM Inc
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD thousands, unless otherwise stated)

5 Intangible assets

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

Particulars	Softwares (Acquired)	Total Other intangible assets
Gross carrying amount		
As at April 1, 2016	1,636	1,636
Additions	10	10
Gross carrying amount as at March 31, 2017	1,646	1,646
Accumulated Amortisation		
As at April 1, 2016	1,573	1,573
Amortisation for the year	61	61
Accumulated depreciation as at March 31, 2017	1,634	1,634
Net carrying amount as at March 31, 2017	12	12

Particulars	Softwares (Acquired)	Total Other intangible assets
Gross carrying amount		
As at April 1, 2017	1,646	1,646
Additions	-	-
Gross carrying amount as at March 31, 2018	1,646	1,646
Accumulated Amortisation		
As at April 1, 2017	1,634	1,634
Amortisation for the year	5	5
Accumulated depreciation as at March 31, 2018	1,639	1,639
Net carrying amount as at March 31, 2018	7	7

Zensar Technologies IM Inc**Notes to the financial statements as at and for the year ended March 31, 2018****(All amounts in USD thousands, unless otherwise stated)****6 Financial assets****(a) Trade receivables : Current****(Unsecured, considered good unless otherwise stated)**

Particulars	As at March 31, 2018	As at March 31, 2017
Considered good	24,336	11,992
Considered doubtful	474	791
	24,810	12,783
Less: allowance for doubtful debts	474	791
Total receivables (refer note 25)	24,336	11,992

(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	-	45
Total	-	45

(c) Cash and cash equivalents : Current

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks : - In current accounts	1,989	1,895
Total	1,989	1,895

(d) Other financial assets : Current**(Unsecured and considered good unless otherwise stated)**

Particulars	As at March 31, 2018	As at March 31, 2017
Unbilled revenues	4,632	3,510
Total	4,632	3,510

Zensar Technologies IM Inc**Notes to the financial statements as at and for the year ended March 31, 2018****(All amounts in USD thousands, unless otherwise stated)****(e) Other non-current assets***(Unsecured and considered good unless otherwise stated)*

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	35	-
Total	35	-

(f) Inventories : Current

Particulars	As at March 31, 2018	As at March 31, 2017
Spare parts in support of computer hardware maintenance contracts (Goods-in-transit: Nil (March 31, 2017: USD 102 thousands))	16,263	17,370
Total	16,263	17,370

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	-	113
- advances to suppliers	-	8
Prepaid expenses	592	1,382
Total	592	1,503

Zensar Technologies IM Inc

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

(All amounts in USD thousands, unless otherwise stated)

8 Deferred tax liabilities (net)

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

Particulars	March 31, 2018	March 31, 2017
The major components of the deferred tax asset are		
Depreciation	502	650
Provision for doubtful debts	136	311
Provision for expenses allowable on payment basis	103	244
	741	1,205
The major components of the deferred tax liability are		
Provision for Inventories	3,365	4,728
Others	309	128
	3,674	4,856
Net deferred tax asset / (liability)	(2,933)	(3,651)

(i) Significant Estimates:

(ii) Movement in deferred tax assets

Particulars	Depreciation	Provision for doubtful debts	Provision for expenses allowable on payment basis	Others	Total
As at April 1, 2016	544	1,110	459	762	2,875
(Charged)/credited:					
- to statement of profit and loss	106	(799)	(215)	(762)	(1,670)
- to other comprehensive income	-	-	-	-	-
As at March 31, 2017	650	311	244	-	1,205
(Charged)/credited:					
- to statement of profit and loss	(148)	(176)	(140)	-	(464)
- to other comprehensive income	-	-	-	-	-
As at March 31, 2018	502	135	104	-	741

(iii) Movement in deferred tax liabilities

Particulars	Provision for Inventories	Others	Total
As at April 1, 2016	4,719	285	5,004
Charged/(credited):			
- to statement of profit and loss	9	(156)	(147)
- to other comprehensive income	-	-	-
As at March 31, 2017	4,728	129	4,857
Charged/(credited):			
- to statement of profit and loss	(1,364)	181	(1,183)
- to other comprehensive income	-	-	-
As at March 31, 2018	3,364	310	3,674

Zensar Technologies IM 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) Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017
Issued, subscribed and Paid up :		
100,000 equity shares of USD 0.01 each (100,000 shares of USD 0.01 each at March 31, 2017)	1	1
Total	1	1

9 (b) Reserves and surplus:

Particulars	As at March 31, 2018	As at March 31, 2017
Retained earnings	(6,902)	(5,679)
Securities premium reserve	19,994	19,994
Total reserves and surplus	13,092	14,315

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	(5,679)	(253)
Add: Profit/(loss) for the year	(1,223)	(5,426)
Balance as at the end of the year	(6,902)	(5,679)
Securities premium account		
Balance as at the beginning of the year	19,994	19,994
Add: Movement during the year	-	-
Balance as at the end of the year	19,994	19,994

Zensar Technologies IM Inc
Notes to the financial statements as at and for the year ended March 31, 2018

(All amounts in USD thousands, unless otherwise stated)

10 Borrowings

Particulars	Maturity date	Terms of repayment	As at March 31, 2018	As at March 31, 2017
Non-current borrowings				
Long term maturities of finance lease obligations				
- Obligations under finance leases (secured)	-	Monthly instalments	-	116
Non-current borrowings (as per balance sheet)			-	116
Current borrowings				
- From Group company (refer note 25)	Repayable on Demand	Repayable on Demand	7,000	4,001
Current borrowings (as per balance sheet)			7,000	4,001

Non Current borrowings

-Secured by the lessors' title to the leased assets, which have a carrying amount of USD 100 thousands (March 31, 2017: USD 100 thousands)

11 Trade payables : current

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Trade payables (refer note 25)	21,659	12,064
Total	21,659	12,064

12 Other financial liabilities : current

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of finance lease obligations	-	41
Accrued salary and benefits	300	508
Contractually reimbursable expenses (refer note 25)	500	500
Total other current financial liabilities	800	1,049

13 Employee benefit obligations : current

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for compensated absences	935	866
Total	935	866

14 Other Current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Unearned revenue	3,271	4,051
Statutory dues	20	5
Total	3,291	4,056

15 (a) Income taxes

Particulars	As at March 31, 2018	As at March 31, 2017
Income tax assets (net)	1,500	3,053
Income tax liabilities (net)	66	-
Net current income tax assets / (liability)	1,434	3,053

15 (b) Movement

The gross movement in the current income tax asset / (liability) for the years ended March 31, 2018 and

Particulars	As at March 31, 2018	As at March 31, 2017
Net current income tax asset / (liability) at the beginning	3,053	84
Income tax paid	-	-
Current income tax expense (refer note 22)	730	4,144
Adjustment for current tax of prior periods (refer note 22)	556	-
Group Relief Tax Aggregation	(3,073)	(1,415)
Others (State tax)	168	240
Net current income tax asset / (liability) at the end	1,434	3,053

Zensar Technologies IM Inc
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD thousands, unless otherwise stated)

16 Revenue from operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Software development and allied services	36,051	41,650
Product Revenue	15,657	22,379
Total revenue from operations	51,708	64,029

17 Other income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income from financial assets - Carried at amortised cost		
Net foreign exchange gain / (loss)	464	-
Provisions no longer required and credit balances written back (net)	4	-
Miscellaneous Income	75	34
Total	543	34

18 Employee benefit expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	16,667	18,395
Contribution to provident and other funds	1,563	1,680
Staff welfare expenses	2,380	3,104
Total	20,610	23,179

19 Finance Costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on loans	123	68
Bank charges	146	225
Total	269	293

20 Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of Property, plant and equipment	490	662
Amortization of intangible assets	5	61
Total	495	723

21 Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent	2,441	2,773
Rates and taxes	279	239
Electricity and power	245	293
Travelling and conveyance	1,089	1,687
Recruitment expenses	36	104
Training expenses	20	86
Repairs and maintenance to :		
-Plant and machinery	21	3
-Data Processing Equipments	101	97
-Building	120	117
-Others	518	776
Insurance	-	148
Legal and professional charges	436	630
Communication expenses	578	1,217
General Office expenses	86	280
Advertisement and publicity	65	77
Telemarketing Expenses	41	14
Carriage, freight and octroi	1,629	1,679
Allowance for doubtful debts		
- Provided during the year	-	-
- Bad debts written off	-	1,855
- Less: Reversed during the year	317	2
	(317)	1,853
Miscellaneous expenses	301	185
Total	7,689	12,258

22 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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income tax expense		
Current Tax		
Current tax on profits for the year	(730)	(4,144)
Adjustment for current tax of prior periods	(556)	-
Total current tax expense	(1,286)	(4,144)
Deferred tax		
Decrease / (increase) in deferred tax assets	465	1,670
(Decrease) / increase in deferred tax liabilities	(1,183)	(147)
Total deferred tax expense / (benefit)	(718)	1,523
Income tax expense	(2,004)	(2,621)

Zensar Technologies IM Inc
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD thousands, unless otherwise stated)

23 Fair value measurements

Financial instruments by category:

Particulars	March 31, 2018			March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	24,336	-	-	11,992
Cash and cash equivalents	-	-	1,989	-	-	1,895
Security deposits	-	-	-	-	-	45
Unbilled revenue	-	-	4,632	-	-	3,510
Total financial assets	-	-	30,957	-	-	17,442
Financial liabilities						
Borrowings	-	-	7,000	-	-	4,158
Trade payables	-	-	21,659	-	-	12,064
Other financial liabilities	-	-	800	-	-	1,008
Total financial liabilities	-	-	29,459	-	-	17,230

(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.Borrowings
- 7.Trade payables
- 8.Accrued Salaries and Benefits
- 9.Payable to related parties
- 10.Other Payables

Zensar Technologies IM Inc**Notes to the financial statements as at and for the year ended March 31, 2018****(All amounts in USD thousands, unless otherwise stated)****24 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 several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in the United Kingdom and elsewhere and purchases from overseas suppliers in various foreign currencies. The exchange rate between the USD and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected positively/adversely as the USD appreciates/ depreciates against these currencies.

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

Particulars	March 31, 2018		
	EUR	GBP	Total
Financial assets			
Trade receivables	2,335	-	2,335
Unbilled revenue	-	1,699	1,699
Financial liabilities			
Trade payables	240	-	240
Net assets / (liabilities)	2,095	1,699	3,794

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

Particulars	March 31, 2017		
	EUR	GBP	Total
Financial assets			
Trade receivables	3,216	-	3,216
Unbilled revenue	-	-	-
Financial liabilities			
Trade payables	-	-	-
Net assets / (liabilities)	3,216	-	3,216

(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 USD 24,336 thousands and USD 11,992 thousands as of March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to USD 4,632 thousands and USD 3,510 thousands as on March 31, 2018 and March 31, 2017 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers located in the United States, Netherlands, 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:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from top customer	6.19%	5.40%
Revenue from top five customers	21.52%	21.16%

bb The allowance for life time expected credit loss on customer balances for the year ended March 31, 2018 and March 31, 2017 was USD 474 thousands and USD 791 thousands, respectively. The decrease of allowance for life time expected credit losses on customer balances for the year ended March 31, 2018 was USD 317 thousands and USD 2 thousands in March 31, 2017.

Particulars	March 31, 2018	March 31, 2017
Balance at the beginning of the year	(791)	(793)
Translation differences	-	-
Allowance for doubtful debts - Provided during the year	317	2
Allowance for doubtful debts - Reversed during the year	-	-
Balance at the end	(474)	(791)

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.

Particulars	As at March 31, 2018				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Borrowings	7,000	7,000	-	-	7,000
Trade payables	21,659	21,659	-	-	21,659
Other liabilities	800	800	-	-	800

Particulars	As at March 31, 2017				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Borrowings	4,117	4,001	112	4	4,117
Trade payables	12,064	12,064	-	-	12,064
Other liabilities	1,049	1,049	-	-	1,049

Zensar Technologies IM Inc
Notes to the financial statements as at and for the year ended March 31, 2018
(All amounts in USD thousands, unless otherwise stated)

25 Related party disclosures

A List of related parties

(i) List of subsidiaries

Name	Country of Incorporation	Relationship
Zensar Technologies Limited	India	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 B.V.	Netherlands	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	From 15 January 2018 Till 31st March 2018
Harjott Atrii	Director	
Pinaki Kar	Director	
Anand Mitkari	Director	

B Transactions with Related Parties

Sr. No.	Particulars	Volume of		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 B.V.	1,828	2,425	13,016	-	14,844	-
(ii)	Keystone Logic Inc.	33	-	33	-	-	-
(iii)	Professional Access Limited	276	-	36	-	-	-
(iv)	Zensar Technologies Limited	368	18	439	-	18	-
(v)	Zensar Technologies (UK) Limited	1,655	-	1,710	-	-	-
(vi)	Foolproof (SG) Pte Limited	404	-	404	-	-	-
(vii)	Zensar Technologies, Inc.	(991)	6,981	3,387	-	599	-
	Total of Rendering of software services	3,573	9,424	19,025	-	15,461	-
(b) Tax relief to group companies/ Reimbursements of expenses incurred							
(i)	PSI Holding Group Inc.	68	-	-	585	-	517
(ii)	Zensar Technologies IM B.V.	359	204	-	12,721	-	12,347
(iii)	Zensar Technologies Limited	3,172	4,433	-	3,063	-	4,979
(iv)	Zensar Technologies (UK) Limited	214	156	-	365	-	134
(v)	Zensar Technologies (Shanghai) Company Limited	-	26	-	31	-	1
(vi)	Zensar Technologies (Singapore) Pte. Limited	-	78	-	70	-	70
(vii)	Zensar Technologies, Inc.	1,896	1,249	-	2,452	-	1,249
	Total of Tax relief to group companies/ Reimbursements of expenses incurred	5,709	6,146	-	19,287	-	19,297
(c) Loans Availed/ (repaid)							
(i)	Zensar Technologies, Inc.	3,000	-	-	7,000	-	4,001
	Total of loans granted/ (repaid)	3,000	-	-	7,000	-	4,001

Zensar Technologies IM 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

The Company has contingent liability of USD 139 thousands (March 31, 2017 : USD 139 thousands) towards standby letter of credit for leased premises.

27 Capital management

Risk 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 capital structure of the Company consists of net debt (borrowings as detailed in notes 10 and 6(c) offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. 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, share premium, 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.

28 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.

29 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.