Keystone Logic Inc.
Balance Sheet
(All amounts in USD Thousands, unless otherwise stated)

Balance Sheet as at	**Notes**	**As at March 31, 2019**	**As at March 31, 2018**
Assets			
Non-current assets			
(a) Property, plant and equipment	4a & 4b	27	25
(b) Financial assets			
i. Loans	5 (b)	3,000	1,500
ii. Other financial assets	5 (d)	3	7
(c) Deferred tax assets (net)	6	395	179
Total Non-current assets		3,425	1,711
Current assets			
(a) Financial assets			
i. Trade receivables	5 (a)	3,450	1,096
ii. Cash and cash equivalents	5 (c)	1,654	1,144
iii. Other financial assets	5 (e)	2,050	2,887
(b) Other current assets	7	135	101
Total current assets		7,289	5,228
Total assets		**10,714**	**6,939**
Equity and liabilities			
Equity			
(a) Equity share capital	8	50	50
(b) Other equity			
i. Reserves and surplus	9 (a) & 9 (b)	1,653	2,194
Total equity		1,703	2,244
Liabilities			
Non-current liabilities		-	-
Current liabilities			
(a) Financial liabilities			
i. Trade payables	10	7,699	4,152
(b) Employee benefit obligations	11	166	143
(c) Other current liabilities	12	86	136
(d) Income tax liabilities (net)	13 (a)	1,060	264
Total current liabilities		9,011	4,695
Total liabilities		**9,011**	**4,695**
Total equity and liabilities		**10,714**	**6,939**

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

For Chartered Accountants

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

Partner
Place: Pune
Date:

Director

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, 2019	Year ended March 31, 2018
Income			
(a) Revenue from operations	14	29,067	21,844
(b) Other income	15	58	5
Total income		**29,125**	**21,849**
Expenses			
(a) Employee benefits expense	16	6,018	4,042
(b) Subcontracting costs		20,809	15,898
(c) Finance costs	17	1	1
(d) Depreciation and amortisation expense	18	11	6
(e) Other expenses	19	1,051	411
Total expenses		**27,890**	**20,358**
Profit / (Loss) before tax		**1,235**	**1,491**
Tax expense	20		
(a) Current tax		992	490
(b) Deferred tax		(216)	(179)
Total tax expense		776	311
Profit / (Loss) for the year		**459**	**1,180**
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		**459**	**1,180**
Earnings per share - [nominal value per share $ 0.01/- (March 31, 2018: $ 0.02/-)]			
- Basic and diluted		0.01	0.02

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

For Chartered Accountants

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

Partner
Place: Pune
Date:

Director

Director

Place:
Date:

Keystone Logic Inc.
Statement of Cash Flows for year ended March 31, 2019
(All amounts in USD Thousands, unless otherwise stated)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Cash flow from operating activities				
Profit before taxation from:	1,235		1,491	
Profit before taxation		1,235		1,491
Adjustments for:				
Depreciation and amortisation	11		6	
Interest income	(72)		(4)	
Finance costs	1		1	
Provision for doubtful debts (net)	233		0	
Unrealised exchange gain/(loss) (net)	16	189		3
Operating profit before working capital changes		**1,424**		**1,494**
Change in operating assets and liabilities				
(Increase)/ decrease in other non current financial assets	2		(4)	
(Increase)/ decrease in trade receivables	(2,601)		1,027	
(Increase)/ decrease in other current financial assets	892		(2,887)	
(Increase)/ decrease in other current assets	(34)		(97)	
Increase/ (decrease) in trade payables	3,548		2,412	
Increase/ (decrease) in other current financial liabilities	(388)		(1,471)	
Increase/ (decrease) in current employee benefit obligations	23		70	
Increase/ (decrease) in other current liabilities	(50)	1,392	74	(876)
Cash generated from operations		**2,816**		**618**
Income taxes paid (net of refunds)	191	191	(226)	(226)
Net cash inflow from operating activities		**3,007**		**392**
Cash flow from investing activities				
Purchase of tangible asstes	(13)		(31)	
Loan given	(1,500)		(1,500)	
Interest income	17		2	
Net cash used in investing activities		**(1,496)**		**(1,529)**
Cash flow from financing activities				
Finance costs	(1)		(1)	
Dividend paid during the year	(1,000)		-	
Net cash used in financing activities		**(1,001)**		**(1)**
Net increase/(decrease) in cash and cash equivalents		**510**		**(1,138)**
Cash and cash equivalents at the beginning of the financial year		1,144		2,282
Cash and cash equivalents at the end of the financial year		1,654		1,144

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, 2019	As at March 31, 2018
Balances with banks	1,654	1,144
Total	**1,654**	**1,144**

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

For Chartered Accountants

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

Partner
Place: Pune
Date:

Director

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, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
50	-	50
Balance as at April 1, 2018	**Changes in equity share capital during the year**	**Balance as at March 31, 2019**
50	-	50

Particulars	Notes	Reserves and Surplus	Total
		Retained earnings	
Balance as at April 1, 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**
Transaction with owners in their capacity as owners:			-
Dividends paid	9 (b)	-	-
Balance as at March 31, 2018		**2,194**	**2,194**
Profit for the year	9 (b)	459	**459**
Total comprehensive income for the year		**459**	**459**
Transaction with owners in their capacity as owners:			-
Dividends paid	10 (c)	- 1,000	**- 1,000**
Balance as at March 31, 2019		**1,653**	**1,653**

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

For Chartered Accountants

Partner
Place: Mumbai
Date:

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

Director

Director

Place: Pune
Date:

Keystone Logic Inc.
Notes accompanying the financial statements as at and for the year ended March 31, 2019

1. Corporate Information

Keystone Logic Inc., wholly owned subsidiary of Zensar Inc, USA is a global supply chain services and solutions corporation. The corporation goal is enable our 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, 2019 were approved by board of directors and authorised for issue on , XXXXX 2019.

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

(i) 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.

- 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).

(ii) Foreign Operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:
- Assets and liabilities are translated at the closing rate at the date of the Balance Sheet
- Income and expense items are translated at the average exchange rates for the period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity. When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal.

d. Revenue Recognition

The Company derives revenue primarily from software development, maintenance of supply chain software and related services. Effective April 1, 2018, the company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 “Significant Accounting Policies,” in the Company’s 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.
Revenue is recognised only when there is transfer of control of goods and services. At the inception of every contract, transaction price and performance obligations are determined. Transaction price reflect amount of consideration expected to be received in exchange for transferring goods and services plus weighted average estimate of variable consideration i.e. discounts, rebates, price concession, rebates etc. Transactions price is allocated in a manner that depicts exchange for transferring of promised goods and service. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.
The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the transaction price to separately identifiable performance obligations based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price the company uses expected cost plus margin approach in estimating the stand-alone selling price.

(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

(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 licenses:
Revenue from sale of licenses and support 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.

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 ecnonomic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

(vii) Investments in subsidiaries: The Company has accounted for its investment in subsidiaries at cost.

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.

(iv) Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

l. Derivatives and hedging activities

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counterparty is primarily a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit or loss as cost.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value

Subsequent to initial recognition, derivative financial instruments are measured as described below:

Cash flow hedges:

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit or loss and reported within foreign exchange gains/(losses), net within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs.

The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of income.

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 enforeacble 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**
Data Processing Equipments	4 Years
Office Equipments	5 Years
Furniture and 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.

o. Business combinations, Goodwill and Intangible Assets

(i) Business combinations:

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the date of exchange by the Company. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expensed as incurred.
The cost of an acquisition also includes the fair value of any contingent consideration measured as at the date of acquisition. Any subsequent changes to the fair value of contingent consideration classified as liabilities, other than measurement period adjustments, are recognized in the Statement of profit and loss.

(ii) Goodwill:

The excess of the cost of an acquisition over the Company's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, a bargain purchase gain is recognized in other comprehensive income and accumulated in equity as Capital reserve unless there is no clear evidence for the underlying reason for classification of Business combination as a bargain purchase in which case, it shall be recognised directly in equity as Capital reserve. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

(iii) 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.

(iv) 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:

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

Class of asset	**Useful life considered**
Softwares (Acquired)	1-5 years
Technical know-how (Internally generated)	3 years
Customer Relationship	
Non Compete Agreements	
Brand	
Customer contracts	

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 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.

Gratuity:

(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 profitsharing 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.

(iv) Share-based payments:

Selected employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.
Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and performance conditions.
No expense is recognised for awards that do not ultimately vest because non-market performance and service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

q. 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.

r. 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.

s. 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.

t. Recent accounting pronouncements

Standards issued but not yet effective

Ind AS 116 Leases:- On March 30,2019, Ministary of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value. Currently, operating lease expenses are charge to the statement of profit or loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company is in process of evaluating the impact on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company is in process of evaluating the impact on the financial statements.

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.
The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.
Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is in process of evaluating the impact on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.
The amendments require an entity:
• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.
Effective date for application of this amendment is annual period beginning on or after April 1, 2019.The Company is in process of evaluating the impact on the financial statements.

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.
Further, the Company uses significant judgements while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.
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).

(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, 2017	3	6	26	35
Additions	5	0	26	31
Gross carrying amount as at March 31, 2018	**8**	**6**	**52**	**66**
Accumulated Depreciation				
As at April 1, 2017	3	6	26	35
Depreciation during the year	1	0	5	6
Accumulated depreciation as at March 31, 2018	**4**	**6**	**31**	**41**
Net carrying amount as at March 31, 2018	**4**	**0**	**21**	**25**

Particulars	Furniture and Fixtures	Office Equipments	Data Processing Equipments	Total
Gross carrying amount				
As at April 1, 2018	8	6	52	65
Additions	-	-	13	13
Disposals	-	-	(14)	(14)
Gross carrying amount as at March 31, 2019	**8**	**6**	**51**	**64**
Accumulated Depreciation				
As at April 1, 2018	4	6	31	41
Depreciation during the year	0	0	10	10
Disposals	-	-	(14)	(14)
Accumulated depreciation as at March 31, 2019	**4**	**6**	**27**	**37**
Net carrying amount as at March 31, 2019	**4**	**0**	**24**	**27**

Keystone Logic Inc.
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in USD Thousands, unless otherwise stated)

4b 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, 2017	4	**4**
Additions		**-**
Gross carrying amount as at March 31, 2018	**4**	**4**
Accumulated Amortisation		
As at April 1, 2017	4	**4**
Amortisation charge for the year		**-**
Accumulated amortisation as at March 31, 2018	**4**	**4**
Net carrying amount as at March 31, 2018	**-**	**-**

Particulars	**Softwares (Acquired)**	**Total Other intangible assets**
Gross carrying amount	**4**	**4**
As at April 1, 2018	4	**4**
Additions		**-**
Transfers	-	**-**
Gross carrying amount as at March 31, 2018	**4**	**4**
Accumulated Amortisation		
As at April 1, 2018	4	**4**
Amortisation charge for the year		**-**
Disposals	-	**-**
Accumulated amortisation as at March 31, 2019	**4**	**4**
Net carrying amount as at March 31, 2019	**-**	**-**

(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, 2019**	**As at March 31, 2018**
Considered good	3,450	1,096
Considered doubtful	234	0
	3,684	**1,096**
Less: allowance for doubtful trade receivables	234	0
Total receivables	**3,450**	**1,096**
Current portion	3,450	1,096
Non- current portion	-	-

5(b) Loans : Non-Current

(Unsecured and considered doubtful)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Loans to related party [refer note 25]	3,000	1,500
Total	**3,000**	**1,500**

5(c) Cash and cash equivalents

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Balances with banks :		
- In current accounts	1,654	1,144
Total	**1,654**	**1,144**

5 (d) Other financial assets : Non current

(Unsecured and considered good unless otherwise stated)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Security deposits	3	5
Interest Receivable	-	2
Total	**3**	**7**

5 (e) Other financial assets : Current

(Unsecured and considered good unless otherwise stated)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Unbilled revenues	1,995	2,887
Interest Receivable	55	-
Total	**2,050**	**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, 2019	As at March 31, 2018
The major components of the deferred tax asset are		
Non Operating Loss	**(158)**	**246**
Allowance for doubtful debts - trade rec	**73**	**0**
Provision for expenses allowable on payment basis	**301**	**21**
	216	**267**
The major components of the deferred tax liability are		
Depreciation	**-**	**8**
Adjustment on account of change in Acc	**-**	**80**
	-	**88**
Net deferred tax asset / (liability)	**216**	**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, 2017	-		-			
(Charged)/credited: - to statement of profit and loss	246	0	21	(8)	(80)	**179**
As at March 31, 2018	**246**	**0**	**21**	**(8)**	**(80)**	**179**
(Charged)/credited: - to statement of profit and loss	(158)	73	301	-	-	**216**
As at March 31, 2019	**88**	**73**	**322**	**(8)**	**(80)**	**395**

(All amounts in USD Thousands, unless otherwise stated)

7 Other Current assets

(Unsecured and considered good unless otherwise stated)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Advances other than capital advances:		
- advances to employees	2	5
- advances to suppliers	13	53
- Unbilled revenue	99	-
Others:		
- Prepaid expenses	-	38
- Others	21	5
Total	**135**	**101**

Keystone Logic Inc.
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in USD Thousands, unless otherwise stated)

8 Equity share capital

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Issued, subscribed and Paid up : 5,00,00,000 equity shares of USD. 0.001 each (5,00,00,000 shares of $0.001 each at March 31, 2018)	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, 2019**		**As at March 31, 2018**	
	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, 2019**		**As at March 31, 2018**	
	%	**Number of shares**	**%**	**Number of shares**
Zensar Technologies Inc	100%	50,000,000	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 preceeding March 31, 2019 - Nil

(All amounts in USD Thousands, unless otherwise stated)

9 (a) Reserves and surplus:

Particulars	As at March 31, 2019	As at March 31, 2018
Retained earnings	1,653	2,194
Total reserves and surplus	**1,653**	**2,194**

9 (b) Movement of Reserves and surplus

Particulars	As at March 31, 2019	As at March 31, 2018
Retained earnings		
Balance as at the beginning of the year	2,194	1,014
Add: Profit for the year	459	1,180
Less: Equity Dividends paid	1,000	-
Balance as at the end of the year	**1,653**	**2,194**

(All amounts in USD Thousands, unless otherwise stated)

10 Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Trade payables	7,699	4,152
Total	**7,699**	**4,152**

11 Employee benefit obligations

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Provision for compensated absences	101	70
Accrued salary and benefits	65	73
Total	**166**	**143**

(All amounts in USD Thousands, unless otherwise stated)

11 (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, 2019	For the year ended March 31, 2018
Contribution to Social Security	284	201
Contribution to Medicare	93	53
Total	**377**	**254**

12 Other Current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	86	105
Unearned revenue	-	31
Total	**86**	**136**

13 (a) Income taxes

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax assets (net)	35	-
Income tax liabilities (net)	1,095	(264)
Net current income tax assets / (liability)	**(1,060)**	**264**

13 (b) Movement

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

Particulars	As at March 31, 2019	As at March 31, 2018
Net current income tax asset / (liability) at the beginning	(264)	-
Income tax paid	-	226
Refund received during the year	(191)	-
Liability settled by parent company	387	-
Current income tax expense	(992)	(490)
Net current income tax asset / (liability) at the end	**(1,060)**	**(264)**

(All amounts in USD Thousands, unless otherwise stated)

14 Revenue from operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Software development and allied services	29,067	21,844
Total	**29,067**	**21,844**

15 Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income from financial assets - Carried at amortised cost		
- Loan to related party	71	2
- Others	2	2
Net foreign exchange gain / (loss)	(16)	-
Miscellaneous Income	1	1
Total	**58**	**5**

16 Employee benefits expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	5,211	3,663
Contribution to provident and other funds (Refer note 12(i))	539	254
Staff welfare expenses	268	125
Total	**6,018**	**4,042**

17 Finance Costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Bank charges	1	1
Total	**1**	**1**

18 Depreciation and amortisation expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of Property, plant and equipment	11	6
Total	**11**	**6**

19 Other expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	55	45
Rates and taxes	6	38
Electricity and power	1	0
Travelling and conveyance	145	146
Recruitment expenses	75	-
Training expenses	8	-
Repairs and maintenance to :		
-Plant and machinery	0	-
-Data Processing Equipments	4	7
-Building	2	0
-Others	1	-
Insurance	0	0
Legal and professional charges	363	105
Communication expenses	10	7
General Office expenses	0	1
Advertisement and publicity	30	12
Allowance for doubtful trade receivables		
- Provided during the year	233	0
- Bad debts written off	-	-
- Less: Reversed during the year	-	-
	233	**0**
Miscellaneous expenses	118	50
Total	**1,051**	**411**

Keystone Logic Inc.
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in USD Thousands, unless otherwise stated)

14A Disclosures for Revenue from Contract with Customers (IND AS-115)

(a) Revenue for year ended March 31, 2019

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Software development and allied services	29,067	21,844

(b) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business

Particulars	Verticals
	AMS
Revenue by Contract Type	
-Fixed Price / Fixed Price Monthly	5,514
-Time and Material	23,553

(c) Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either receivable or as unbilled revenue

A receivable is right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognised on a straight line basis over the period of contract. Revenue in excess of billing is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to clients is based on milestones as defined in then contract. This would result in timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings is classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in Balance Sheet.

During the year ended March 31, 2019 , the company recognized revenue of USD 30.72K arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019 , unbilled revenue pertaining to fixed price contracts as of April 1, 2018 that needs to reclassified to Trade Receivable upon billing to customers on billing of milestones amounts to "Nil"

(d) Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognized as of the end of the reporting period and an explanation as to when company expects to recognize these amounts as revenue. Applying the practical expedients as given in INDAS 115, the company has not disclosed the remaining performance obligations related disclosures where the revenue recognized corresponds directly with the value to customer of the entity's performance completed to date, typically those contracts where invoicing is on the basis of time and material basis. Remaining performance obligation are subject to change and are affected by several factors, including terminations , changes in the scope of contracts, periodic revalidations, adjustment of revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2019 other than those meeting the exclusion criteria mentioned above is USD 94.5K

(e) Impact of applying erstwhile INDAS 115 -Revenue instead of INDAS 18- Revenue from Contract with customers

The impact on account of applying the erstwhile INDAS 115 Revenue standard instead of Ind AS 18 Revenue from contract with customers on the financials results of the company for the period ended March 31, 2018 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of USD 99K as at March 31, 2019 has been considered as a Non financial asset.

Keystone Logic Inc.
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in USD Thousands, unless otherwise stated)

20 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

(i)

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Income tax expense		
Current Tax		
Current tax on profits for the year	992	490
Adjustment for current tax of prior periods	-	-
Total current tax expense	**992**	**490**
Deferred tax		
Decrease / (increase) in deferred tax assets	(216)	(179)
(Decrease) / increase in deferred tax liabilities	-	-
Total deferred tax expense / (benefit)	**(216)**	**(179)**
Income tax expense	**776**	**311**

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

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Profit before taxes	1,235	1,491
Enacted income tax rate	21.00%	21.00%
Computed expected tax expenses	**259**	**313**
Effect of non deductible expenses	0	1
Changes in unrecognized deferred tax assets (net)	-	(373)
Income taxed at higher/(lower) rates	(43)	166
Income tax relating to prior years	374	-
Others	186	204
Total tax expense	**776**	**311**

(All amounts in USD Thousands, unless otherwise stated)

21 Fair value measurements

Financial instruments by category:

Particulars	As at March 31, 2019					As at March 31, 2018				
	FVTPL	FVOCI	Derivative financial assets	Amortised cost	Total	FVTPL	FVOCI	Derivative financial assets	Amortised cost	Total
Financial assets										
Investments:										
Trade receivables	-	-	-	3,450	3,450	-	-	-	1,096	1,096
Loans	-	-	-	3,000	3,000	-	-	-	1,500	1,500
Cash and cash equivalents	-	-	-	1,654	1,654	-	-	-	1,144	1,144
Security deposits	-	-	-	3	3	-	-	-	5	5
Unbilled revenue	-	-	-	2,050	2,050	-	-	-	2,887	2,887
Others	-	-	-	-	-	-	-	-	2	2
Total financial assets	**-**	**-**	**-**	**10,157**	**10,157**	**-**	**-**	**-**	**6,634**	**6,634**
Financial liabilities										
Trade payables	-	-	-	7,699	7,699	-	-	-	4,152	4,152
Other financial liabilities	-	-	-	-	-	-	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**7,699**	**7,699**	**-**	**-**	**-**	**4,152**	**4,152**

(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. An explanation of each level follows underneath the table.

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

Since the company has not designated any financial instrument either as carried at fair value through profit and

(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.Loans
4.Security deposits
5.Unbilled revenue
6.Other receivables
7.Trade payables
8.Employee dues

(All amounts in USD Thousands, unless otherwise stated)

22 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. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments. 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.

(i) Foreign currency risk

The Company's exposure to foreign currency risk as of March 31, 2019 expressed in USD, is as follows:

Particulars	**As at March 31, 2019**
	EURO
Financial assets	
Cash and cash equivalents	-
Trade receivables	85
Unbilled revenue	-
Financial liabilities	
Trade payables	-
Accrued expenses	-
Employee benefit obligations	-
Other liabilities	-
Net assets / (liabilities)	**85**

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

Particulars	**As at March 31, 2018**
	EURO
Financial assets	
Cash and cash equivalents	-
Trade receivables	-
Unbilled revenue	-
Financial liabilities	
Trade payables	-
Accrued expenses	-
Employee benefit obligations	-
Other liabilities	-
Net assets / (liabilities)	**-**

(All amounts in USD Thousands, unless otherwise stated)

(a) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting into a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 3,450 thousand and USD 1,096 Thousand as of March 31, 2019 and March 31, 2018 respectively and unbilled revenue amounting to USD USD 1,995 Thousands and USD 2,887 Thousands as of March 31, 2019 and March 31, 2018 respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from the customers located in United Stated. Credit risk is managed through Credit Approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers of which 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 five customers, other than related parties:

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Revenue from top customer	67.00%	60.00%
Revenue from top three customers	92.00%	90.00%

ab The allowance for life time expected credit loss on customer balances for the year ended March 31, 2019 and March 31, 2018 was Nil and USD 197 respectively.

Particulars	**31-Mar-19**	**31-Mar-18**
Balance at the beginning of the year	**0**	**-**
Allowance for doubtful debts	233	0
Balance at the end	**233**	**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 and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

(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 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, 2019, cash and cash equivalents are held with major banks and financial institutions.

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, 2019**				
	Contractual cash flows				
	Carrying value	**Less than 1 year**	**1-2 years**	**2-4 years**	**Total**
Trade payables	7,699	7,699	-	-	7,699

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

(All amounts in USD Thousands, unless otherwise stated)

23 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, 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.

(b) Dividends

Particulars	31-Mar-19	31-Mar-18
Interim dividend for the year ended March 31, 2019 of Rs. (March 31, 2018 Rs.) per fully paid share	1,000	-

Keystone Logic Inc.
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in USD Thousands, unless otherwise stated)

24 Related party disclosures

A List of related parties

(i) List of related parties

Name	Country of Incorporation	Relationship
Zensar Technologies Limited	India	Ultimate Parent Company
Zensar Technologies, Inc.	United States of America	Parent Company
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
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
PSI Holding Group, Inc	United States of America	Fellow Subsidiary
Zensar Technologies IM Inc.	United States of America	Fellow Subsidiary
Zensar Technologies IM B.V.	Netherlands	Fellow Subsidiary
Professional Access Limited	United States of America	Fellow Subsidiary
Foolproof (UK) 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
Cynosure Interface Services Private Limited	India	Fellow Subsidiary
Cynosure Inc.	United States of America	Fellow Subsidiary
Cynosure APAC Pty Ltd	Australia	Fellow Subsidiary
Indigo Slate Inc.	United States of America	Fellow Subsidiary
Keystone Logic Mexico, S. DE R.L. DE C.V.	Mexico	Fellow Subsidiary
Keystone Technologies Mexico, S. DE R.L. DE C.V.	Mexico	Fellow Subsidiary

Disposed off w.e.f 23rd January, 2019

(ii) Key Management Personnel

Name	Designation
Sandeep Kishore	Director
Mallay Verma	Director
Sunil Bhatla	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 Speaciality Tyres Limited	
Spencers International Hotel Limited	
RPG Foundation	
CEAT limited	

Keystone Logic Inc.
Notes to the financial statements as at and for the year ended March 31, 2019
(All amounts in USD Thousands, unless otherwise stated)

(iv) **Entities controlled or jointly controlled by the key management personnel of the company:**
None

B **Transactions with Related Parties**

Sr. No.	Particulars	Volume of transactions during		Amount outstanding as on			
		March 31, 2019	March 31, 2018	31-Mar-19		31-Mar-18	
				Receivable	Payable	Receivable	Payable
a	**Subcontracting costs**						
(i)	Zensar Technologies Limited	12,711	9,814	-	4,626		2,964
(ii)	Zensor Technologies Inc.	653	225	-	86	-	225
(iii)	Zensar Technologies IM Inc	152	33	-	-	-	33
(iv)	Professional Access Limited	727	37	-	53	-	37
	Total Subcontracting costs	**14,243**	**10,109**	**-**	**4,765**	**-**	**3,259**
b	**Reimbursement of expenses incurred**						
(i)	Professional Access Ltd. (Net)	(3)	3	-	-	(3)	-
(ii)	Zensor Technologies Inc.	11	-	11	-	-	-
	Total reimbursement of expenses incurred (Net)	**8**	**3**	**11**	**-**	**(3)**	**-**
c	**Loans granted/ (repaid)**						
(i)	Zensar Technologies Inc	1,500	1,500	3,000	-	1,500	-
	Total of loans granted/ (repaid)	**1,500**	**1,500**	**3,000**	**-**	**1,500**	**-**

Sr. No.	Particulars	Volume of transactions during		Amount outstanding as on			
		March 31, 2019	March 31, 2018	31-Mar-19		31-Mar-18	
				Receivable	Payable	Receivable	Payable
d	**Interest income**						
(i)	Zensar Technologies Inc	71	2	55	-	2	-
	Total of interest income	**71**	**2**	**55**	**-**	**2**	**-**

(All amounts in USD Thousands, unless otherwise stated)

25 Contingent liabilities

	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Corporate Tax: Matters on which the Company is in appeal	-	-
(b)	Claims against the Company not acknowledged as debts.	-	-
(c)	Bank Guarantee	-	-

26 Commitments

(a) Capital Commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Property plant and equipment	-	-
Intangible assets	-	-

(b) Non- cancellable operating leases

Particulars	As at March 31, 2019	As at March 31, 2018
Future minimum lease payments in respect of non-cancellable operating leases		
Not later than one year	23	20
Later than one year and not later than five years	2	25
Later than one year and not later than five years	-	-

27 Earnings per share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax	459	1,180
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year (In no's)	50,000,000	50,000,000
Basic EPS (Rs.)	**0.01**	**0.02**
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding during the year (In no's)	50,000,000	50,000,000
Effect of dilutive issue of stock options (In no's)	-	-
Weighted average number of equity shares outstanding for diluted EPS (In no's)	50,000,000	50,000,000
Diluted EPS (Rs.)	**0.01**	**0.02**

28 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 31st March, 2019 and Statement of Profit and Loss for the year pertain to only one operating segment.

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

Director Director

Place:
Date: