

Keystone Technologies Mexico, S. DE R.L. DE C.V.
Balance Sheet
(All amounts in Mexican Peso, unless otherwise stated)

Balance Sheet as at	Notes	As at March 31, 2019
Assets		
Current assets		
(a) Financial assets		
i. Cash and cash equivalents	4	308,407
ii. Other financial assets	5	8,124,497
(b) Other current assets	6	9,510
Total current assets		8,442,414
Total assets		8,442,414
Equity and liabilities		
Equity		
(a) Equity share capital	7	497,716
(b) Other equity		
i. Reserves and surplus	8	226,171
Total equity		723,887
Liabilities		
Current liabilities		
(a) Financial liabilities		
i. Trade payables	9	6,829,766
ii. Other financial liabilities	10	183,488
(b) Employee benefit obligations	11	7,016
(c) Other current liabilities	12	597,032
(d) Income tax liabilities (net)	13	101,225
Total current liabilities		7,718,527
Total liabilities		7,718,527
Total equity and liabilities		8,442,414

The accompanying notes form an integral part of the financial statements
In terms of our report attached

For

Chartered Accountants

For and on behalf of the Board of Directors of
Keystone Technologies Mexico, S. DE R.L. DE C.V.

Partner

Place:

Date:

Director

Place:

Date:

Director

Place:

Date:

Keystone Technologies Mexico, S. DE R.L. DE C.V.
Statement of Profit and Loss
(All amounts in Mexican Peso, unless otherwise stated)

Statement of Profit and Loss for the	Notes	Period ended March 31, 2019
Income		
(a) Revenue from operations	14	8,124,497
Total income		8,124,497
Expenses		
(a) Employee benefits expense	15	954,088
(b) Subcontracting costs		6,710,531
(c) Finance costs	16	256
(d) Other expenses	17	132,226
Total expenses		7,797,101
Profit before tax		327,396
Tax expense		
(a) Current tax	18	101,225
(b) Deferred tax		-
Total tax expense		101,225
Profit/ (loss) for the period		226,171
Other comprehensive income / (loss)		
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 period, net of tax		-
Total comprehensive income / (loss) for the period		226,171
Earnings per share		
- Basic and Diluted		113,085

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In terms of our report attached

For
Chartered Accountants

For and on behalf of the Board of Directors of
Keystone Technologies Mexico, S. DE R.L. DE C.V.

Partner
Place:
Date:

Director
Place:
Date:

Director
Place:
Date:

Keystone Technologies Mexico, S. DE R.L. DE C.V.
Statement of Cash Flows for period ended March 31, 2019
(All amounts in Mexican Peso, unless otherwise stated)

Particulars	Period ended March 31, 2019	
Cash flow from operating activities		
Profit before taxation		327,396
Adjustments for:		
Finance costs	256	
Operating profit before working capital changes		327,652
Change in operating assets and liabilities		
(Increase)/ decrease in other current financial assets	(8,124,497)	
(Increase)/ decrease in other current assets	(9,510)	
Increase/ (decrease) in trade payables	6,829,766	
Increase/ (decrease) in other current financial liabilities	183,488	
Increase/ (decrease) in current employee benefit obligations	7,016	
Increase/ (decrease) in other current liabilities	597,032	(516,705)
Cash generated from operations		(189,053)
Income taxes paid (net of refunds)		-
Net cash inflow from operating activities		(189,053)
Cash flow from investing activities		
Net cash used in investing activities		-
Cash flow from financing activities		
Proceeds from issue of Equity Shares	497,716	
Finance costs	(256)	
Net cash used in financing activities		497,460
Net increase/(decrease) in cash and cash equivalents		308,407
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		308,407

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
Balances with banks	308,407
Total	308,407

The accompanying notes form an integral part of the financial statements
In terms of our report attached

For
Chartered Accountants

For and on behalf of the Board of Directors of
Keystone Technologies Mexico, S. DE R.L. DE C.V.

Partner
Place: Date:

Director
Place:
Date:

Director
Place:
Date:

Keystone Technologies Mexico, S. DE R.L. DE C.V.
Statement of changes in equity
(All amounts in Mexican Peso, unless otherwise stated)

A. Equity share capital

Opening Balance	Changes in equity share capital during the period	Balance as at March 31, 2019
-	497,716	497,716

B. Other Equity

Particulars	Notes	Reserves and Surplus	Total
		Retained earnings	
Balance as at the beginning of the period		-	-
Add: Profit/ (Loss) for the period	8(a)	226,171	226,171
Total comprehensive income/ (loss) for the period		226,171	226,171
Movement during the period		-	-
Balance as at March 31, 2019		226,171	226,171

The accompanying notes form an integral part of the financial statements
In terms of our report attached

For
Chartered Accountants

For and on behalf of the Board of Directors of
Keystone Technologies Mexico, S. DE R.L. DE C.V.

Partner
Place:
Date:

Director
Place:
Date:

Director
Place:
Date:

1. Background

Keystone Technologies Mexico, S. DE R.L. DE C.V. (the "Company") is engaged in providing a complete range of IT Services and Solutions. The Company's industry expertise spans across Manufacturing, Retail, Media, Banking, Insurance, Healthcare and Utilities. The financial statements for the period ended March 31, 2019 were approved by board of directors and authorised for issue on

2. Summary of significant accounting policies

a. Compliance with Ind AS

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

b. Basis of preparation

(i) Historical cost convention

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

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

(ii) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current -non current classification of assets and liabilities.

c. Foreign currency translation

Functional and presentation currency:

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

d. Revenue Recognition

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) Fixed-price contracts:

Revenue from fixed-price contracts, including IT Infrastructure development and integration contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized using the "percentage-of-completion" method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. The Company uses the percentage of completion method using the input (efforts expended) method to measure the progress towards completion in respect of fixed price contracts. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

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

e. Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of income except to the extent it relates to 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.

Deferred tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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. Impairment of assets

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 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.

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. Financial Liabilities

(i) Initial recognition and measurement

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

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

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

(ii) Subsequent Measurement

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

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

Trade and other payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as Non current liabilities unless payment is not due within 12 months after the reporting period.

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.

j. 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.

k. 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.

l. 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.

m. 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.

n. 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.

o. Recent accounting pronouncements

(i) Standards issued but not yet effective

On March 30, 2019, Ministry 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.

(ii) 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 still evaluating the impact of this amendment on the standalone financial statements.

(iii) 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 currently evaluating the effect of this amendment on the standalone financial statements.

(iv) 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 still evaluating the impact of this amendment on the standalone 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 Provisions

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

Keystone Technologies Mexico, S. DE R.L. DE C.V.

Notes to the financial statements as at and for the period ended March 31, 2019

(All amounts in Mexican Peso, unless otherwise stated)

4 Cash and cash equivalents

Particulars	As at March 31, 2019
Balances with banks : - In current accounts	308,407
Total	308,407

5 Other financial assets : Current

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31, 2019
Unbilled Revenues	8,124,497
Total	8,124,497

6 Other Current assets

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31, 2019
Advances other than capital advances: - advances to employees	9,510
Total	9,510

Keystone Technologies Mexico, S. DE R.L. DE C.V.

Notes to the financial statements as at and for the period ended March 31, 2019

(All amounts in Mexican Peso, unless otherwise stated)

7 Equity share capital

Particulars	As at March 31, 2019
Issued, subscribed and Paid up : 2 equity shares at no par value	497,716
Total	497,716

Reconciliation of the shares outstanding as at the beginning and at the end of the period:

(i)	Particulars	As at March 31, 2019	
		Nos	Rs.
	At the beginning of the period	-	-
	Add: Shares issued during the period	2	497,716
	Outstanding at the end of the period	2	497,716

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

Name of shareholder	As at March 31, 2019	
	%	Number of shares
Zensar Technologies Inc, USA	99.90%	1

Keystone Technologies Mexico, S. DE R.L. DE C.V.

Notes to the financial statements as at and for the period ended March 31, 2019

(All amounts in Mexican Peso, unless otherwise stated)

8 Reserves and surplus:

Particulars	As at March 31, 2019
Retained earnings	226,171
Total reserves and surplus	226,171

8 (a) Movement of Reserves and surplus

Particulars	As at March 31, 2019
Retained earnings	
Balance as at the beginning of the period	-
Add: Profit for the period	226,171
Balance as at the end of the year	226,171

9 Trade payables

Particulars	As at March 31, 2019
Current	
Trade payables	6,829,766
Total	6,829,766

10 Other financial liabilities

Particulars	As at March 31, 2019
Current	
Accrued salary and benefits	183,488
Total other current financial liabilities	183,488

Keystone Technologies Mexico, S. DE R.L. DE C.V.

Notes to the financial statements as at and for the period ended March 31, 2019

(All amounts in Mexican Peso, unless otherwise stated)

11 Employee benefit obligations

Particulars	As at March 31, 2019
Provision for compensated absences	7,016
Total	7,016

12 Other Current liabilities

Particulars	As at March 31, 2019
Statutory Dues	220,658
Advance from Customers	376,374
Total	597,032

13 Income taxes

Particulars	As at March 31, 2019
Income tax assets (net)	-
Income tax liabilities (net)	101,225
Net current income tax assets / (liability)	(101,225)

Keystone Technologies Mexico, S. DE R.L. DE C.V.**Notes to the financial statements as at and for the period ended March 31, 2019****(All amounts in Mexican Peso, unless otherwise stated)****14 Revenue from operations**

Particulars	Period ended March 31, 2019
Software development and allied services	8,124,497
Total revenue from operations	8,124,497

14a. Disclosure as per Ind AS 115**(a) Revenue for year ended March 31, 2019**

Disclosures	Year ended March 31, 2019
Software development and allied services	8,124,497

(b) Disaggregate revenue information - for Year ended March 31, 2019

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments. The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Verticals
	IMS
Revenue by Geography -Mexico	8,124,497
Revenue by Contract Type Fixed Price monthly Contracts	8,124,497

(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.

15 Employee benefit expense

Particulars	Period ended March 31, 2019
Salaries, wages and bonus	744,443
Contribution to provident and other funds	209,644
Total	954,088

16 Finance Costs

Particulars	Period ended March 31, 2019
Bank charges	256
Total	256

17 Other expenses

Particulars	Period ended March 31, 2019
Legal and professional charges	132,226
Total	132,226

18 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	Period ended March 31, 2019
Income tax expense	
Current Tax	
Current tax on profits for the year	101,225
Adjustment for current tax of prior periods	-
Total current tax expense	101,225
Income tax expense	101,225

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

Particulars	Period ended March 31, 2019
Profit before taxes	327,396
Enacted income tax rate in Mexico	30.00%
Computed expected tax expenses	98,219
Effect of non deductible expenses	3,000
Others	6
	101,225

19 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's exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

(a) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to MXN 81 lakhs as of March 31, 2019. Trade receivables are typically unsecured and are derived from revenue earned from customers located in the Mexico. 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.

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

	Period ended March 31, 2019
Revenue from top customer	100%
Revenue from top five customers	100%

ab	March 31, 2019
Trade receivables	-
Unbilled revenues	8,124,497
Days sales outstanding - DSO (days)	151

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.

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

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

	As at March 31, 2019				
	Contractual cash flows				
	Carrying value	Less than 1 year	1-2 years	2-4 years	Total
Trade payables	6,829,766	6,829,766	-	-	6,829,766
Other liabilities	183,488	183,488	-	-	183,488

Keystone Technologies Mexico, S. DE R.L. DE C.V.

Notes to the financial statements as at and for the period ended March 31, 2019

(All amounts in Mexican Peso, unless otherwise stated)

20 Fair Value Measurement

Financial instruments by category:

Particulars	As at March 31, 2019	
	Amortised cost	Total
Financial assets		
Cash and cash equivalents	308,407	308,407
Other financial assets	8,124,497	8,124,497
Total financial assets	8,432,904	8,432,904
Financial liabilities		
Trade payables	6,829,766	6,829,766
Other financial liabilities	183,488	183,488
Total financial liabilities	7,013,254	7,013,254

21 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 capital structure of the Company consists of net debt 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 and retained earnings.

Keystone Technologies Mexico, S. DE R.L. DE C.V.

Notes to the financial statements as at and for the period ended March 31, 2019

(All amounts in Mexican Peso, unless otherwise stated)

22 Related party disclosures

A List of related parties

Zensar Technologies Inc. (Holding Company)

(i) List of subsidiaries

Name	Country of Incorporation	Relationship
Zensar Technologies Limited	India	Ultimate Holding Company
PSI Holding Group, Inc	United States of America	Fellow Subsidiary
Professional Access Limited	United States of America	Fellow Subsidiary
Keystone Logic Inc.	United States of America	Fellow Subsidiary
Cynosure Inc. (Refer note (I) below)	United States of America	Fellow Subsidiary
Indigo Slate Inc. (Refer note (II) below)	United States of America	Fellow Subsidiary
Keystone Technologies Mexico, S. DE R.L. DE C.V.	Mexico	Fellow Subsidiary
Zensar Technologies IM Inc.	United States of America	Fellow Subsidiary
Zensar Technologies IM B.V.	Netherlands	Fellow Subsidiary
Cynosure APAC Pty Ltd	Australia	Fellow Subsidiary
Zensar Info Technologies (Singapore) Pte. Limited	Singapore	Fellow Subsidiary
Zensar Information Technologies Limited (refer note (i) below)	India	Fellow Subsidiary
Zensar Software Technologies Limited (refer note (i) below)	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 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 Advanced Technologies Limited	Japan	Fellow Subsidiary
Zensar (South Africa) Proprietary Limited	South Africa	Fellow Subsidiary
Cynosure Interface Services Private Limited	India	Fellow Subsidiary

(ii) Key Management Personnel

Name	Designation
Sandeep Kishore	Director
Hurst Patterson Arthur	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 Foundation	
CEAT limited	

B Transactions with Related Parties

Sr. No.	Particulars	Volume of transactions during the period ended March 31, 2019	Amount outstanding as on March 31, 2019	
			Receivable	Payable
A. Revenue from rendering services				
(i) Keystone Logic Mexico, S. DE R.L. DE C.V.		8,124,497	8,124,497	-
Total of Revenue from rendering services		8,124,497	8,124,497	-
B. Advances				
(i) Zensar Technologies Inc.		376,374	-	376,374
Total of Advances		376,374	-	376,374

Keystone Technologies Mexico, S. DE R.L. DE C.V.

Notes to the financial statements as at and for the period ended March 31, 2019

(All amounts in Mexican Peso, unless otherwise stated)

23 Earnings per share

Particulars	Period ended March 31, 2019
Profit/ (Loss) after tax	226,171
Basic and Diluted Earnings Per Share	
Weighted average number of equity shares outstanding during the period (In no's)	2
Basic and Diluted EPS	113,085

24 Segment reporting

The Company is engaged in only one operating segment, hence the Balance Sheet as at March 31, 2019 and Statement of Profit and Loss for the year then ended, pertain to only one operating segment.

- 25** The company was incorporated on June 20, 2018 and this being the first fiscal year of financial reporting, there are no comparative figures.

For and on behalf of the Board of Directors of
Keystone Technologies Mexico, S. DE R.L. DE C.V.

Director
Place:
Date:

Director
Place:
Date: