Price Waterhouse
Chartered Accountants

The Board of Directors
Zensar Technologies Limited
C/o Zensar Knowledge Park, Kharadi
Plot No. 4, MIDC,
Off Nagar Road
Pune – 411 014

Report on special purpose consolidated financial statements

1. This report is issued in accordance with the terms of our agreement dated April 06, 2017.

2. We have audited the accompanying special purpose Ind AS consolidated financial statements of Zensar (Africa) Holdings Proprietary Limited, (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), consolidated Cash Flow Statement and the consolidated Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the special purpose Consolidated Ind AS Financial Statements

3. The Company's Management is responsible for the preparation of these special purpose consolidated Ind AS financial statements to give a true and fair view of the consolidated financial position, consolidated financial performance (including other Comprehensive Income), consolidated cash flows of the group and consolidated Statement of Changes in Equity in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Companies Act, 2013 to the extent considered relevant by it for the purpose for which these special purpose financial statements have been prepared. The responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the special purpose consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these special purpose consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the special purpose consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Holding Company's preparation and fair presentation of the special purpose consolidated Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether

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the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the special purpose consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements, together with the notes thereon and attached thereto, give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated Statement of Profit and Loss (including other comprehensive income), its consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter – Basis of Preparation

8. We draw attention to Note 2(a) to the special purpose financial statements, which describes the basis of its preparation. The special purpose financial statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose financial statements for the purposes for which those have been prepared. Our opinion is not qualified in respect of this matter.

Other Matter

9. The special purpose financial statements dealt with by this report, have been prepared for the express purpose to enable Zensar Technologies Limited to prepare Consolidated Financial Statement pursuant to the requirement of Companies Act, 2013.

10. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening Balance sheet as at April 1, 2015 included in these special purpose Ind AS financial statements, are based on the previously issued special purpose financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated April 22, 2016 and April 28, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated, April 25, 2017. Our opinion is not qualified in respect of this matter.

Price Waterhouse
Chartered Accountants
FRN 301112E
Pune

Restrictions on Use

11. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.

12. This report is addressed to the Board of Directors of Zensar Technologies Limited and has been prepared for and only for the purposes set out in paragraph 9 above. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Price Waterhouse neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose.

For Price Waterhouse
Firm Registration No: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership Number 109846

Place: Pune
Date: April 25, 2017

Professional Access Limited
Balance Sheet
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note no.	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
NON CURRENT ASSETS				
(a) Property, Plant and Equipment	4	16.48	27.43	41.21
(b) Financial Assets				
i. Other financial assets	5a	47.25	54.64	52.88
(c) Deferred tax assets (net)	6	459.28	135.13	69.46
(d) Income tax assets (net)	15	-	49.15	16.46
Total Non-Current Assets		523.01	266.35	180.01
CURRENT ASSETS				
(a) Financial Assets				
i. Trade receivables	7	4,591.83	9,307.95	5,372.07
ii. Cash and cash equivalents	8	3,568.42	3,753.56	2,309.67
iii. Unbilled revenue		2,923.51	4,373.75	2,753.29
iv. Other financial assets	5b	437.45	843.63	420.83
(b) Other current assets	9	19.69	6.88	23.30
Total Current Assets		11,540.90	18,285.77	10,879.16
Total Assets		**12,063.91**	**18,552.12**	**11,059.17**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	10 (a)	0.08	0.08	0.08
(b) Other Equity				
i. Reserves and surplus	10 (b)	1,888.83	1,180.26	895.45
ii. Other components of equity	10 (c)	(14.54)	49.20	-
Total Equity		1,874.37	1,229.55	895.53
NON-CURRENT LIABILITIES				
(a) Employee benefit obligations	11	113.76	88.44	76.33
Total non-current liabilities		113.76	88.44	76.33
CURRENT LIABILITIES				
(a) Financial Liabilities				
i. Trade payables	12	8,350.84	15,154.60	9,387.18
ii. Other financial liabilities	13	756.27	1,980.29	645.36
(b) Employee benefit obligations	11	2.29	13.25	12.09
(c) Unearned revenue		233.63	86.00	30.00
(d) Other current liabilities	14	-	-	12.68
(e) Current Tax Liabilities (Net)	15	732.75	-	-
Total Current Liabilities		10,075.78	17,234.14	10,087.31
Total liabilities		**10,189.54**	**17,322.58**	**10,163.64**
Total Equity and Liabilities		**12,063.91**	**18,552.12**	**11,059.17**

The above Balance Sheet should be read in conjunction with the accompanying notes.
This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of the Board of Directors of
Professional Access limited

Amit Borkar
Partner
Membership No. 109846
Place: Pune
Date: April 25, 2017

Sandeep Kishore
Director

Place:
Date:

Krishna Kumar
Director

Place:
Date:

Professional Access Limited
Statement of Profit and Loss for the year ended March 31, 2017
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	March 31, 2017	March 31, 2016
Income			
Revenue from operations	16	36,730.81	36,559.72
Other income	17	0.29	0.18
Total Income		**36,731.10**	**36,559.90**
Expenses			
Employee benefits expense	18	9,059.67	9,034.07
Depreciation and amortisation expense	19	16.99	35.67
Other Expenses	20	26,459.85	27,726.55
Finance costs	21	5.59	2.55
Total expenses		**35,542.10**	**36,798.84**
Profit/(Loss) before tax		**1,189.00**	**(238.94)**
Income Tax expense	22		
Current tax		813.51	(461.51)
Deferred tax		(333.08)	(62.24)
Total tax expense		480.43	(523.75)
Profit for the year		**708.57**	**284.81**
Other comprehensive income			
Items that may be reclassified to profit or loss			
- exchange difference on translation of foreign operations	10 (c)	(63.74)	49.20
		(63.74)	49.20
Other comprehensive income for the year, net of tax		**(63.74)**	**49.20**
Total comprehensive income for the year		**644.84**	**334.01**
Earning per share	27		
- Basic		509,765.70	204,899.28
- Diluted		509,765.70	204,899.28

The above statement of Profit and Loss should be read in conjunction with the accompaning notes
This is the Statement of Profit and Loss referred to in our report of even date.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of the Board of Directors of
Professional Access limited

Amit Borkar
Partner
Membership No. 109846
Place: Pune
Date: April 25, 2017

Sandeep Kishore
Director

Place:
Date:

Krishna Kumar
Director

Place:
Date:

Professional Access Limited
Statement of Cash Flows for year ended March 31, 2017
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	March 31, 2017		March 31, 2016	
Cash Flow from operating activities				
Profit before taxation		1,189.00		(238.94)
Adjustments for:				
Depreciation and Amortisation	16.99		35.67	
Interest Income	(0.29)		(0.18)	
Finance costs	5.59		2.55	
Provision for doubtful debts	849.41		60.13	
Net exchange differences	(97.46)	774.24	54.63	152.80
Operating Profit/(Loss) before Working Capital Changes		1,963.24		(86.14)
Change in operating assets and liabilities				
(Increase)/ decrease in other non current financial assets	7.39		(1.76)	
(Increase)/ decrease in trade receivables	3,900.72		(4,003.44)	
(Increase)/ decrease in other current financial assets	1,856.42		(2,043.26)	
(Increase)/ decrease in other current assets	(12.81)		16.42	
Increase/ (decrease) in non current employee benefit obligations	25.32		12.12	
Increase/ (decrease) in trade payables	(6,803.76)		5,767.42	
Increase/ (decrease) in other current financial liabilities	(1,224.02)		1,334.92	
Increase/ (decrease) in current employee benefit obligations	(10.96)		1.16	
Increase/ (decrease) in other current liabilities	147.63	(2,114.07)	43.32	1,126.90
Cash generated from operations		(150.83)		1,040.76
Income taxes paid (net of refunds)		(22.69)		425.40
Net cash inflow/(outflow) from operating activities		(173.52)		1,466.16
Cash Flow from investing activities				
Purchase of tangible assets	(6.32)		(19.90)	
Interest Income	0.29		0.18	
Net Cash used in Investing Activities		(6.03)		(19.72)
Cash Flow from financing activities				
Interest paid	(5.59)		(2.55)	
Net Cash used in Financing Activities		(5.59)		(2.55)
Net Increase/(Decrease) in cash and cash equivalents		(185.14)		1,443.89
Cash and cash equivalents at the beginning of the financial year		3,753.56		2,309.67
Cash and cash equivalents at the end of the financial year		3,568.42		3,753.56

Notes:

1. 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 Flow.
2. Cash and cash equivalents comprise of:

	2016-17	2015-16	2014-15
Balances with Banks	3,568.42	3,753.56	2,309.67
Total	3,568.42	3,753.56	2,309.67

The accompanying notes are an integral part of these financial statements
This is the Cash Flow Statement referred to in our report of even date.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of the Board of Directors of
Professional Access limited

Amit Borkar
Partner
Membership No. 109846
Place: Pune
Date: April 25, 2017

Sandeep Kishore
Director

Place:
Date:

Krishna Kumar
Director

Place:
Date:

Professional Access Limited
Statement of changes in Equity
(All amounts in INR Lakhs, unless otherwise stated)

A Equity share capital

Particulars	Amount
As at April 1, 2015	0.08
Change in equity share capital	-
As at March 31, 2016	**0.08**
Change in equity share capital	-
As at March 31, 2017	**0.08**

B Other equity

Particulars	Other components of Equity		Total other equity
	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2015	**895.45**	-	**895.45**
Profit for the year	284.81	-	**284.81**
Other Comprehensive Income	-	49.20	**49.20**
Total comprehensive income for the year	**284.81**	**49.20**	**334.01**
Balance as at March 31, 2016	**1,180.26**	**49.20**	**1,229.46**
Profit for the year	708.57	-	**708.57**
Other Comprehensive Income	-	(63.74)	**(63.74)**
Total comprehensive income for the year	**708.57**	**(63.74)**	**644.84**
Balance as at March 31, 2017	**1,888.83**	**(14.54)**	**1,874.29**

The above Statement of changes in equity should be read in conjunction with the accompanying notes.
This is the Statement of changes in equity referred to in our report of even date.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of the Board of Directors of
Professional Access limited

Amit Borkar
Partner
Membership No. 109846
Place: Pune
Date: April 25, 2017

Sandeep Kishore
Director

Place:
Date:

Krishna Kumar
Director

Place:
Date:

Professional Access limited
Notes to the Financial Statements as at and for the year ended March 31, 2017

1. **General Information**

Professional Access limited ("the Company") is a company registered under the laws of New York. The Company is primarily engaged in providing E-Commerce Implementation on ATG Platform.

2. **Summary of significant accounting policies**

a. **Basis of preparation**

The Special Purpose Financial Statements are prepared for the purposes of the information and use of management and the Board of Directors in its preparation

(i) **Compliance with Ind AS:**

The standalone 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.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

The financial statements are the first financial statements of the Company under Ind AS. Refer note 29 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) **Historical cost convention:**

The financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets and liabilities which are measured at fair value;

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 cycles as 12 months for the purpose of current -non current classification of assets and liabilities.

b. **Foreign Currency Translation**

(i) **Functional and presentation currency:**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency for the Company is US Dollars. However, as the Company is a subsidiary of Zensar Technologies Limited, a company registered in India, the Financial Statements are prepared in Indian Rupees for the consolidation purpose. The translation from functional currency to presentation currency is as follows:
- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effects of the rates prevaling on the transaction dates, in which case income and expenses are translated at the dates of the transaction; and
- All resulting exchange differences are recognised in other comprehensive income.

(ii) **Transactions and balances**

- Transactions in foreign currency are translated into the respective functional currencies 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 the statement of profit and loss and reported within foreign exchange gains/(losses), net within results of operating activities except when deferred in other comprehensive income as qualifying cash flow hedges.
- A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.
- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs
- Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. **Revenue Recognition**

The Company derives revenue primarily from software development, software development, elaboration, maintenance and related services.

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

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

(i) Time and material contracts:

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered in accordance with the terms of contract entered by the Company with the customers.

(ii) Fixed- price contracts:

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

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

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

(iii) Maintenance contracts:

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion.

In certain projects, a fixed quantum of service or output units is agreed at a fixed price for a fixed term. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

(iv) Multiple element arrangements:

Revenue from contracts with multiple-element arrangements are recognized using the guidance in Ind AS 118, Revenue. The Company allocates the arrangement consideration to separately identifiable components based on their relative fair values or on the residual method. Fair values are determined based on sale prices for the components when it is regularly sold separately, third-party prices for similar components or cost plus an appropriate business-specific profit margin related to the relevant component.

(v) Volume Discount

The Company accounts for volume discounts to customers as a reduction of revenue based on the ratable allocation of discount amount to each of the underlying revenue transactions that result in progress by the customer towards earning the discount. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then the discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognises changes in the estimated amount of obligations for discounts using a cumulative catch-up approach. The discounts are passed on to the customer or as a reduction of payments due from the customer.

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d. 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 a business combination, or items directly recognized in equity or in other comprehensive income.

The Company files federal and state tax returns on consolidated basis with its Holding Company and follows allocation factors of revenue, payroll costs and book value of property, plant and equipment for allocating consolidated taxable income to its Holding Company for various states it has operations.

(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 tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

e. Leases

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 income on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Deposits provided to lessors: The Company is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.

Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

f. Impairment of assets

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

Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

g. Cash and Cash Equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents include 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 change in value.

h. Trade Receivables

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

i. Investments and other financial assets

(i) Classification

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

(ii) Initial Recognition

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

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(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:

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:

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 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 retains 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.

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 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.

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

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

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

(ii) Transition to Ind AS

On transition to Ind AS, the Company has decided to continue with the carrying value of all its property, plan and equipment recognised as at April 1, 2015 as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(iii) Depreciation

Depreciation on fixed assets is provided on straight-line method over the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013.

(iv) Transition to Ind AS

On transition to Ind AS, the Company has decided to continue with the carrying value of all its property, plan and equipment recognised as at April 1, 2015 as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

l. Financial Liabilities

(i) Initial recognition and measurement

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

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

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

(ii) Subsequent Measurement

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

Financial liabilities at fair value through profit or loss:

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

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

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

Trade and other payables:

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

(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.

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m. Provisions

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

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

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

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

n. Employee benefits

(i) Post-employment and pension plans

The Company has Defined Contribution Plan for Post-employment benefits for all employees in the form of 401(k) Fund and Social Security Fund. This fund is classified as defined contribution plan. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee provides service.

(ii) 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.

(iii) Compensated absences and sick leave:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

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

o. Fair value measurement:

The company measures certain financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability,

or

- in the absence of a principal market, in the most advantageous market for the asset or liability

p. Contributed Equity

Equity shares are classified as equity.

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

q. Earnings per share

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

r. Rounding of amounts

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

s. Recent accounting pronouncements

Standards issued but not yet effective

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

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

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3. Critical estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

The areas involving critical estimates and/or judgements are:

a Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any,on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b Income Taxes

The company's tax jurisdiction is United States. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer note 22.

c Defined benefit obligation

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer note 11.

d Employee stock option

The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

e Impairment of trade receivable

The Company estimates the uncollectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer creditworthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Also refer note 24.

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4 Property, Plant and Equipment

Particulars	Office Equipment	Data processing equipments	Total
Gross Carrying Value			
Deemed cost as at April 1, 2015	-	41.21	41.21
Additions	2.16	17.74	19.90
Translation difference	-	41.45	41.45
Gross carrying amount as at March 31, 2016	**2.16**	**100.40**	**102.56**
Accumulated Depreciation			
Charge for the year	0.23	35.44	35.67
Translation difference	-	39.46	39.46
Closing accumulated depreciation as at March 31, 2016	**0.23**	**74.90**	**75.13**
Net carrying value as at March 31, 2016	**1.93**	**25.50**	**27.43**

Particulars	Office Equipment	Data processing equipments	Total
Gross Carrying Value			
As at March 31, 2016	2.16	100.40	102.56
Additions	-	6.32	6.32
Translation difference	(0.05)	(16.06)	(16.11)
Gross carrying amount as at March 31, 2017	**2.11**	**90.66**	**92.77**
Accumulated Depreciation			
As at March 31, 2016	0.23	74.90	75.13
Charge for the year	0.49	16.50	16.99
Translation difference	(0.01)	(15.82)	(15.83)
Closing accumulated depreciation as at March 31, 2017	**0.71**	**75.58**	**76.29**
Net carrying value as at March 31, 2017	**1.40**	**15.08**	**16.48**

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5 Financial assets

a Other non - current financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Security deposits	-	6.46	7.48
Long term deposits with banks with maturity period more than 12 months (Held as lien by bank against letter of credit)	47.25	48.18	45.40
Total	**47.25**	**54.64**	**52.88**

b Other current financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Security deposits	-	1.66	-
Others	437.45	841.97	420.83
Total	**437.45**	**843.63**	**420.83**

6 Deferred Tax Asset (net)

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

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
The major components of the deferred tax asset are			
Depreciation	(3.44)	(3.87)	(9.13)
Provision for doubtful debts	414.82	77.36	47.81
Provision for expenses allowable on payment basis	47.90	61.64	30.78
	459.28	**135.13**	**69.46**
Net deferred tax asset / (liability)	**459.28**	**135.13**	**69.46**

(ii) Movement in deferred tax assets

Particulars	Depreciation	Provision for doubtful debts	Provision for expenses allowable on payment basis	Total
As at April 1, 2015	(9.13)	47.81	30.78	**69.46**
(Charged)/credited:				
- to statement of profit and loss	5.26	29.55	30.86	**65.67**
As at March 31, 2016	**(3.87)**	**77.36**	**61.64**	**135.13**
(Charged)/credited:				
- to statement of profit and loss	0.43	337.46	(13.74)	**324.15**
As at March 31, 2017	**(3.44)**	**414.82**	**47.90**	**459.28**

Note: Balances of Deferred tax assets (net) as on the reporting date includes the effect of changes in foreign exchange rates on deferred tax balances, considered in Foreign Currency Translation Reserve.

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7 Trade Receivables

(Unsecured, considered good unless otherwise stated)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Considered good	4,591.83	9,307.95	5,372.07
Considered doubtful	1,006.32	190.92	123.36
	5,598.15	9,498.87	5,495.43
Less: provision for doubtful debts	1,006.32	190.92	123.36
	4,591.83	9,307.95	5,372.07
Total receivables	**4,591.83**	**9,307.95**	**5,372.07**
Current portion	**4,591.83**	**9,307.95**	**5,372.07**
Non- current portion	-	-	-

8 Cash and cash equivalents

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Balances with Banks :			
- In current accounts	3,568.42	3,753.56	2,309.67
Total	**3,568.42**	**3,753.56**	**2,309.67**

9 Other Current assets

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Advances other than capital advances:			
- advances to employees	19.00	6.71	19.46
- advances to suppliers	0.69	-	-
Others:			
- pre paid expenses	-	0.17	3.84
Total	**19.69**	**6.88**	**23.30**

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10 (a) Share capital

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Authorised:			
200 equity shares, no par value (200 shares of no par value at March 31, 2016 and April 1, 2015 respectively)	0.12	0.12	0.12
200 equity shares, no par value (200 shares of no par value at March 31, 2016 and April 1, 2015 respectively)			
Total	0.12	0.12	0.12
Issued, subscribed and Paid up :			
139 equity shares, no par value (139 shares, no par value at March 31, 2016 and April 1, 2015 respectively)	0.08	0.08	0.08
Total	**0.08**	**0.08**	**0.08**

10 (b) Reserves and Surplus:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Retained earnings	1,888.83	1,180.26	895.45
Total reserves and surplus	**1,888.83**	**1,180.26**	**895.45**

Details of additions and deletions since the last Balance Sheet

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Retained earnings			
Balance as at the beginning of the year	1,180.26	895.45	506.27
Add: Net Profit for the year	708.57	284.81	389.18
Balance as at the end of the year	**1,888.83**	**1,180.26**	**895.45**

10 (c) Other components of equity:

Particulars	Foreign currency translation reserve	Total
As at April 1, 2015	-	-
Currency translation adjustments	49.20	49.20
As at March 31, 2016	49.20	49.20
Currency translation adjustments	(63.74)	(63.74)
As at March 31, 2017	(14.54)	(14.54)

10 (d) Nature and purpose of each reserve within equity:

(i) **Retained earnings:**
Retained earnings comprises of the Company's undistributed earnings after taxes.

(ii) **Foreign currency translation reserve:**
Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as

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11 Employee benefit obligtions

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Non Current			
Provision for Compensated absences (i)	113.76	88.44	76.33
Total	**113.76**	**88.44**	**76.33**
Current			
Provision for Compensated absences (i)	2.29	13.25	12.09
Total	**2.29**	**13.25**	**12.09**

(i) The principal assumptions used in determining the present value obligation of Compensated absences are as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Discount Rate	3.90%	4.00%	3.70%
Salary Escalation Rate	2.00%	2.00%	2.00%
Attrition Rate	1.00%	1.00%	1.00%

(ii) **Defined contribution plans:**
The Company has recognised the following amounts in the Statement of Profit and Loss for the year ended:

Particulars	March 31, 2017	March 31, 2016
Contribution to Employees' Social Security Fund	374.99	316.46
Contribution to Medicare Fund	134.45	109.86
Contribution To Family Pension Fund	55.68	-

12 Trade Payables

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Trade Payables	1,237.05	2,238.05	1,658.01
Trade payables to related parties	7,113.79	12,916.55	7,729.17
Total	**8,350.84**	**15,154.60**	**9,387.18**
i. total outstanding dues of micro enterprises and small enterprises	-	-	-
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	8,350.84	15,154.60	9,387.18

13 Other financial liabilities

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
- Employee dues	756.27	1,980.29	645.36
Total other current financial liabilities	**756.27**	**1,980.29**	**645.36**

14 Other Current liabilities

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
- Employee contributions toward provident and pension fund	-	-	12.68
Total	-	-	**12.68**

15 Income taxes

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Income Tax Assets	-	49.15	16.46
Current Income Tax Liabilities	732.75	-	-
Total	**732.75**	**49.15**	**16.46**

Movement
The gross movement in the current income tax asset / (liability) for the years ended March 31, 2017 and March 31, 2016 is as follows:

Particulars	March 31, 2017	March 31, 2016
Net Current Income Tax Asset/(Liability) at the beginning	49.15	16.46
Income Tax paid	(22.69)	425.40
Adjustment for current tax of prior periods	-	(481.78)
Current Income Tax expenses	(813.51)	20.27
Translation difference	54.30	68.80
Net Current Income Tax Asset/(Liability) at end	(732.75)	49.15

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16 Revenue from operations

Particulars	**March 31, 2017**	**March 31, 2016**
Software development and allied services	36,730.81	36,559.72
Total	**36,730.81**	**36,559.72**

17 Other income

Particulars	**March 31, 2017**	**March 31, 2016**
Interest Income		
- On others	0.29	0.18
Total	**0.29**	**0.18**

18 Employee benefits expense

Particulars	**March 31, 2017**	**March 31, 2016**
Salaries and wages	8,734.68	8,977.00
Contribution to provident and other funds	55.75	-
Employee share-based payment expense *	99.70	-
Staff welfare expenses	118.43	68.65
Leave compensation	51.11	(11.58)
Total	**9,059.67**	**9,034.07**

* Employee share-based payment expense represents the proportionate allocation of cost from Ultimate Holding Company i.e Zensar Technologies Limited of stock options of equity shares issued to its employees

19 Depreciation and amortisation expense

Particulars	**March 31, 2017**	**March 31, 2016**
Depreciation of tangible assets	16.99	35.67
Total	**16.99**	**35.67**

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20 Other expenses

Particulars	**March 31, 2017**	**March 31, 2016**
Travelling and conveyance	1,596.59	1,820.63
Cost of manpower hired	22,476.62	24,579.21
Recruitment expenses	3.70	10.32
Training Expenses	8.48	-
Electricity and Power	4.37	3.97
Rent	281.98	201.12
Repairs and Maintenance to :		
-Plant and Machinery	4.12	-
-Building	15.90	15.27
-Others	0.39	1.29
Insurance	309.08	318.64
Rates and Taxes	22.36	25.72
Consumable Media	12.57	46.15
Legal and Professional Charges	130.88	187.58
Postage, Telephone and E-Mail	89.59	132.90
Stationery and Printing	3.53	4.11
Vehicle Running expenses	3.12	-
Advertisement and Publicity	70.10	135.24
Claims/Deposits written off	5.22	-
Provision for Doubtful Debts	849.41	60.13
Payments to auditors (Refer note 20 (a) below)	20.00	19.87
Miscellaneous Expenses	551.84	164.40
Total	**26,459.85**	**27,726.55**

20(a) Details of payments to auditors

Particulars	**March 31, 2017**	**March 31, 2016**
As auditors :		
- Audit Fee	19.77	19.65
Out of pocket expenses reimbursed	0.23	0.22
Total	**20.00**	**19.87**

21 Finance Costs

Particulars	**March 31, 2017**	**March 31, 2016**
Bank charges	5.59	2.55
Total	**5.59**	**2.55**

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22 Income 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	March 31, 2017	March 31, 2016
Income tax expense		
Current Tax		
Current tax on profits for the year	813.51	20.27
Adjustment for current tax of prior periods	-	(481.78)
Total current tax expense	**813.51**	**(461.51)**
Deferred tax		
Decrease / (increase) in deferred tax assets	(333.08)	(62.24)
Total deferred tax expense / (benefit)	**(333.08)**	**(62.24)**
Income tax expense	**480.43**	**(523.75)**

Note: Balances of Deferred tax assets (net) as on the reporting date includes the effect of changes in foreign exchange rates on deferred tax balances, considered in Foreign Currency Translation Reserve.

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

Particulars	March 31, 2017	March 31, 2016
Profit before taxes	1,189.00	(238.94)
Enacted Income tax rate in the US	34.00%	34.00%
Computed expected tax expenses	**404.26**	**(81.24)**
Effect of non deductible expenses	14.91	11.72
Effect of State taxes	42.49	(17.75)
Effect of Income tax relating to prior years	-	(481.78)
Effect of change in Other items	18.77	45.30
	480.43	**(523.75)**

23 Fair value measurements

Financial instruments by category:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
	Amortised cost	**Amortised cost**	**Amortised cost**
Financial assets			
Trade receivables	4,591.83	9,307.95	5,372.07
Cash and cash equivalents	3,568.42	3,753.56	2,309.67
Security deposits	-	8.12	7.48
Unbilled revenue	2,923.51	4,373.75	2,753.29
Others	484.70	890.15	466.23
Total financial assets	**11,568.46**	**18,333.53**	**10,908.74**
Financial liabilities			
Trade payables	8,350.84	15,154.60	9,387.18
Other financial liabilities	756.27	1,980.29	645.36
Total financial liabilities	**9,107.11**	**17,134.89**	**10,032.54**

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.Other Bank Balances
4. Unbilled Revenue
5.Trade payables
6.Security Deposits

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24 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company's exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

(a) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 4,591.83 lakhs and Rs. 9,307.95 lakhs as of March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to Rs. 2,923.51 lakhs and Rs. 4,373.75 lakhs as of March 31, 2017 and March 31, 2016, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers located in the United States, Mexico and elsewhere. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of IND AS 109, the company uses expected credit loss model to assess impairment loss or gain. The company uses a matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue. The provision matrix takes into account available external and internal credit risk factors and company's historical experience for customers.

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

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Revenue from top customer	28.09%	23.18%	31.28%
Revenue from top five customers	78.68%	71.33%	76.01%

ab The allowance for life time expected credit loss on customer balances for the year ended March 31, 2017 and March 31, 2016 was Rs. 1,006.32 lakhs and Rs. 190.92 lakhs, respectively. The increase of allowance for life time expected credit losses on customer balances for the year ended March 31, 2017 was Rs. 815.40 lakhs and Rs. 67.56 lakhs in March 31, 2016.

	March 31, 2017	March 31, 2016
Balance at the beginning of the year	190.92	123.36
Translation differences	(34.01)	7.43
Impairment losses recognised /(reversed)	849.41	60.13
Write offs	-	-
Balance at the end	1,006.32	190.92

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

	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables	4,591.83	9,307.95	5,372.07
Unbilled revenues	2,923.51	4,373.75	2,753.29
Days sales outstanding - DSO (days)	75	137	157

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.

(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, 2017, 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.

	As at March 31, 2017			
	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	Total
Trade payables	8,350.84	8,350.84	-	8,350.84
Other liabilities	756.27	756.27	-	756.27

	As at March 31, 2016			
	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	Total
Trade payables	15,154.60	15,154.60	-	15,154.60
Other liabilities	1,980.29	1,980.29	-	1,980.29

	As at April 1, 2015			
	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	Total
Trade payables	9,387.18	9,387.18	-	9,387.18
Other liabilities	645.36	645.36	-	645.36

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Notes to the Financial Statements as at and for the year ended March 31, 2017
(All amounts in INR Lakhs, unless otherwise stated)

25 Capital management

Risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
The capital structure of the company consists of the cash and cash equivalents disclosed in Note 8, and equity as disclosed in the statement of financial position.
There are no externally imposed capital requirements.
There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

26 Segment information

Where the Ultimate Holding Company prepares the consolidated financial statements and a separate financial statement, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

27 Earning Per Share

Particulars	**March 31, 2017**	**March 31, 2016**
Profits attributable to equity shareholders (Rs. in lakhs)	708.57	284.81
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year	139	139
Basic EPS (Rs.)	**509,765.70**	**204,899.28**
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding during the year	139	139
Diluted EPS (Rs.)	**509,765.70**	**204,899.28**

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Notes to the Financial Statements as at and for the year ended March 31, 2017
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28 Related party transactions

List of Related Parties (as identified and certified by the Management)

i) Parties where control exists

a) Ultimate Holding Company
Zensar Technologies Limited

b) Holding Company
Zensar Technologies Inc

ii) Key Management Personnel
Mr. Babu Venkatesh (till 31-Aug-16)
Mr. Ashu Chahal (till 31-Aug-16)
Mr. Sandeep Kishore (from 28-Apr-16)
Mr. Krishna Kumar (from 25-Aug-16)

Transactions with Related parties

Description of the Nature of the Transaction	Volume of transactions	Volume of transactions	Amount Outstanding as on March 31 2017		Amount Outstanding as on March 31 2016	
	2016-17	2015-16	Receivable	Payable	Receivable	Payable
A. Receipt of Software and other services						
1. Ultimate Holding Company:						
Zensar Technologies Limited	19,136.10	20,099.47		6,470.62		12,764.35
2 . Rendering of Other Services						
Zensar Technologies Limited (Finder Fee's)	54.98	38.68		38.30		3.88
Total Receipt of Software & other services	**19,191.08**	**20,138.15**	**-**	**6,508.92**	**-**	**12,768.23**
B. Reimbursement of expenses by the Company (Payable)						
Zensar Technologies Limited	372.18			122.26		
Zensar Technologies Inc	109.76	14.03	106.13		14.20	
Total Reimbursement of expenses by the Company	**481.94**	**14.03**	**106.13**	**122.26**	**14.20**	**-**
C. Reimbursement of expenses to the Company (Receivable)						
Zensar Technologies Limited		(669.03)			678.50	
Zensar Technologies Inc	203.67	(0.94)		53.55		4.37
Total Reimbursement of expenses to the Company	**203.67**	**(669.97)**	**-**	**53.55**	**678.50**	**4.37**
D. Remuneration to Key Management Personnel						
(i) Mr.Babu Venkatesh (Till Aug-16)	75.64	498.25				
(ii) Mr.Ashu Chahal (Till Aug-16)	75.64	498.25				

29 First time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April, 2015. In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). In its transition from previous GAAP to Ind AS, the Company has also availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101. An explanation of how this transition has affected the company's financial performance and cash flows is set out in the following tables and notes.

(a) Exemptions from retrospective application:

aa Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

ab Cumulative translation differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a foreign operation was formed or acquired.

The Company elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

(b) Mandatory exceptions

ba Estimates

An entity's estimate on the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

bb De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements under Ind AS 109, prospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

bc Classification and measurement of financial assets

As required under Ind AS 101, the Company has classified and measured the financial assets on the basis of the facts and circumstances existing at the date of transition to Ind AS.

(c) Reconciliations between previous GAAP and Ind AS

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:
- equity as at April 1, 2015;
- equity as at March 31, 2016;
- total comprehensive income for the year ended March 31, 2016; and
- explanation of material adjustments to cash flow statements.

In the reconciliations mentioned above, certain reclassifications have been made to Previous GAAP financial information to align with the Ind AS presentation.

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Notes to the Financial Statements as at and for the year ended March 31, 2017
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ca Reconciliation of equity as at April 1, 2015

Particulars	Notes to first time adjustment	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
ASSETS				
NON CURRENT ASSETS				
(a) Property, Plant and Equipment		41.21	-	41.21
(b) Financial Assets				
i. Other financial assets	2	53.24	(0.36)	52.88
(c) Deferred tax assets (net)		69.46		69.46
(d) Income tax assets (net)		16.46	-	16.46
Total Non-Current Assets		**180.37**	**(0.36)**	**180.01**
CURRENT ASSETS				
(a) Financial Assets				
i. Trade receivables		5,372.07	-	5,372.07
ii. Cash and cash equivalents		2,309.67	-	2,309.67
iii. Other financial assets		420.83	-	420.83
iv. Unbilled Revenue		2,753.29	-	2,753.29
(b) Other current assets	2	22.94	0.36	23.30
Total Current Assets		**10,878.81**	**0.36**	**10,879.17**
Total Assets		**11,059.17**	**-**	**11,059.17**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		0.08	-	0.08
(b) Other Equity				
i. Reserves and surplus	1, 3, 4	879.80	15.65	895.45
ii. Other components of equity		-	-	-
Total Equity		**879.88**	**15.65**	**895.53**
NON-CURRENT LIABILITIES				
(a) Employee benefit obligations	3	91.98	(15.65)	76.33
Total non-current liabilities		**91.98**	**(15.65)**	**76.33**
CURRENT LIABILITIES				
(a) Financial Liabilities				
i. Trade payables		9,286.62	100.56	9,387.18
ii. Other financial liabilities		745.92	(100.56)	645.36
(c) Employee benefit obligations		12.09	-	12.09
(d) Unearned Revenue		30.00	-	30.00
(e) Other current liabilities		12.68	-	12.68
Total Current Liabilities		**10,087.31**	**-**	**10,087.31**
Total liabilities		**10,179.29**	**(15.65)**	**10,163.64**
Total Equity and Liabilities		**11,059.17**	**-**	**11,059.17**

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(All amounts in INR Lakhs, unless otherwise stated)

cb Reconciliation of equity as at March 31, 2016

Particulars	Notes to first time adjustment	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
ASSETS				
NON CURRENT ASSETS				
(a) Property, Plant and Equipment		27.43	-	27.43
(b) Financial Assets			-	
i. Other financial assets	2	54.83	(0.19)	54.64
(c) Deferred tax assets (net)		135.13	-	135.13
(e) Income tax assets (net)		0.86	48.29	49.15
Total Non-Current Assets		**218.25**	**48.10**	**266.35**
CURRENT ASSETS				
(a) Financial Assets				
i. Trade receivables		9,307.95	-	9,307.95
ii. Cash and cash equivalents		3,753.56	-	3,753.56
iii. Other financial assets		843.63	-	843.63
iv. Unbilled Revenue		4,373.75	-	4,373.75
(b) Other current assets	2	6.70	0.18	6.88
Total Current Assets		**18,285.59**	**0.18**	**18,285.77**
Total Assets		**18,503.84**	**48.28**	**18,552.12**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		0.08	-	0.08
(b) Other Equity				
i. Reserves and surplus	3	1,129.84	50.42	1,180.26
ii. Other components of equity		49.20	-	49.20
Total Equity		**1,179.12**	**50.42**	**1,229.54**
NON-CURRENT LIABILITIES				
(a) Employee benefit obligations	3	138.87	(50.43)	88.44
Total non-current liabilities		**138.87**	**(50.43)**	**88.44**
CURRENT LIABILITIES				
(a) Financial Liabilities				
i. Trade payables		15,106.31	48.29	15,154.60
ii. Other financial liabilities		1,980.29	-	1,980.29
(b) Employee benefit obligations		13.25	-	13.25
(c) Unearned Revenue		86.00	-	86.00
Total Current Liabilities		**17,185.85**	**48.29**	**17,234.14**
Total liabilities		**17,324.72**	**(2.14)**	**17,322.58**
Total Equity and Liabilities		**18,503.84**	**48.28**	**18,552.12**

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Notes to the Financial Statements as at and for the year ended March 31, 2017
(All amounts in INR Lakhs, unless otherwise stated)

cc Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Notes to first time adjustment	Amounts as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Continuing Operations				
Income				
Revenue from operations		36,559.72	-	36,559.72
Other income	2	-	0.18	0.18
Total Income		**36,559.72**	**0.18**	**36,559.90**
Expenses				
Employee benefits expense	3	9,067.96	(33.89)	9,034.07
Depreciation and amortisation expense		35.67	-	35.67
Other Expenses	2	27,727.25	(0.70)	27,726.55
Finance cost		2.55	-	2.55
Total expenses (II)		**36,833.43**	**(34.59)**	**36,798.84**
Loss before tax		**(273.71)**	**34.77**	**(238.94)**
Income Tax expense				
Current tax		(461.51)		(461.51)
Deferred tax		(62.24)		(62.24)
Total tax expense		**(523.75)**	-	**(523.75)**
Profit after tax		**250.04**	**34.77**	**284.81**
Profit for the year		**250.04**	**34.77**	**284.81**
Other comprehensive income	5	-	49.20	49.20
Total comprehensive income		**250.04**	**83.97**	**334.01**

cd Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

Particulars	Notes to first time adjustment	Amounts as per previous GAAP	Adjustments	Amount as per Ind AS
Net cash flow from operating activities		1,466.34	0.18	1,466.16
Net cash flow from investing activities		(19.90)	(0.18)	(19.72)
Net cash flow from financing activities		(2.55)	-	(2.55)
Net increase / (decrease) in cash and cash equivalents		**1,443.89**	-	**1,443.89**
Cash and cash equivalents as at April 1, 2015		2,309.67		2,309.67
Cash and cash equivalents as at March 31, 2016		3,753.56		3,753.56

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Notes to the Financial Statements as at and for the year ended March 31, 2017
(All amounts in INR Lakhs, unless otherwise stated)

ce Notes to first time adoption

Note 1: Foreign currency translation reserve

The Company elected to reset the balance appearing in the foreign currency translation reserve to zero as at April 1, 2015. Accordingly, translation reserve balance under previous GAAP of Rs. 30.29 has been transferred to retained earnings. There is no impact on total equity as a result of this adjustment.

Note 2: Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs. 0.36 lacs as at March 31, 2016 (April 1, 2015- Rs. Nil). The prepaid rent increased by Rs. 0.36 lacs as at March 31, 2016 (April 1, 2015 - Rs. Nil). There was no impact on total equity as at April 1, 2015. The profit for the year and total equity as at March 31, 2016 decreased by Rs. 0.01 lacs due to amortisation of the prepaid rent of Rs. 0.19 lacs which is partially off-set by the notional interest income of Rs. 0.18 lacs recognised on security deposits.

Note 3: Employee benefits

Under the previous GAAP, the rate used to discount post-employment benefit obligations of the Company, including its foreign branches, was determined by reference to market yields at the end of the reporting period on government bonds/securities. Ind AS 19, Employee Benefits requires the discounting of such obligations in respect for foreign branches using the rate determined by reference to market yiels at the end of the reporting period on high quality corporate bonds, unless the foreign branches are domiciled in countries where there is no deep market in such bonds. Consequently, the discounting of liability of foreign branches using corporate bond rates has resulted in an decrease in liability as at March 31, 2016 by Rs. 34.78 lacs (April 1, 2015 - decrease by Rs. 15.65 lacs) and increase in profit for the year then ended by Rs. 50.43 lacs.

Note 4: Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 5: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income include remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations and effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of the Board of Directors of
Professional Access limited

Amit Borkar
Partner
Membership No. 109846
Place: Pune
Date: April 25, 2017

Sandeep Kishore
Director

Place:
Date:

Krishna Kumar
Director

Place:
Date: