Tech Mahindra

SUBSIDIARY ANNUAL REPORT
2014-15

Tech Mahindra Limited

Connected World.
Connected Solutions.

Amidst emerging markets and an uncertain global business landscape there has been the reflection on the IT industry. We have endured challenges and risen from the phoenix, demonstrating strength and agility in an ever evolving and in a shifting technological landscape.

The year gone by has seen a few bold decisions taken by our leadership. We have invested significantly in research and innovation capabilities for the company. This means, working on developing programs like i5 Startnet which involves creating a start-up ecosystem.

We continue to build more relationships with new customers delivering innovative and superior solutions. We have touched new geographies and transformed more lives; creating not only a business purpose but a sustainable model of giving back to the society. Our capabilities and strengths have further empowered us to expand our competencies with strategic alliances and partnerships. Our new Platform Solutions has leveraged the best in class analytics and service delivery capabilities to provide our customers with solutions that enable scalability and cost predictability - redefining customer engagement models.

Looking forward, we have a rich road map for solutions and services that positions us to thrive in a cloud-first and mobile-first world. With the expertise of 100,000+ associates spread across 90 countries, we are poised for a stellar growth in the years to come.

We continue to defy precincts and push the possibilities; we continue to Rise™.

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TECH MAHINDRA (AMERICAS) INC.

Board of Directors

Mr. Vineet Nayyar - President

Mr. Ulhas N. Yargop

Mr. Milind Kulkarni

Mr. Anil Khatri

Registered Office

36, Pittenger Road,

Freehold, New Jersey, 07728,

USA

Bankers

HSBC Bank

Auditors

Catrakilis Kraitzick Hrabova, LLC

CPAs and Advisors

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2015.

Financial Results:

For the year ended March 31,	**2015 US $**	**2015 INR**	2014 US $	2014 INR
Income	**740,737,630**	46,296,101,876	330,097,846	20,631,115,376
Profit/(Loss) before tax	**40,377,024**	2,523,564,002	20,409,418	1,275,588,621
Profit/(Loss) after tax	**23,535,715**	1,470,982,189	12,044,494	752,780,871

Review of operations:

During the fiscal year, the Company achieved income of US$ 740,737,630 (equivalent to INR 46,296,101,876) an increase of 124% over the sales for the previous year. The Company continues to invest in strengthening its business in the US which is the largest IT market in the World. The increase in business and the focus on right sizing the US operations while preparing for the next level of growth has helped the Company to earn healthy level of profits in the last few years. The profit has increased by 95% over the last year.

During the year under review the Company has transferred its shareholding in Tech Mahindra IPR Inc. which was incorporated as a wholly owned subsidiary to carry on the business of supplying software products and other information technology related services. Tech Talenta Inc. which was formed in March 2012 as a wholly owned subsidiary of the Company continued its operations in the areas of IT Development, Product Engineering and IT Systems Support Operations.

ACQUISITIONS

Lightbridge Communications Corporation (LCC)

Your Company acquired 100% shareholding of Lightbridge Communications Corporation (LCC), a Global Network service leader, effective January 2, 2015. LCC is one of the world's largest independent Global providers of Network Engineering Services to the Telecommunication industry

The acquisition gives your Company an opportunity to offer full range of network services and integrated infrastructure solutions to both communication service providers as well as to the ecosystem of partners who cater to the communication sector. LCC has presence in over 50 countries. LCC has built 350 networks and designed more than 350,000 cell sites for over 400 customers worldwide.

Avion Networks Inc

Your Company has teamed-up with global telecom technology firm Avion Systems, to provide Network Design and Engineering Services to major Communications Service Providers. The Company has been chosen as a minority investor at Avion Systems and the new joint venture will be called Avion Networks Inc.

The joint venture aims to play a significant role as a strategic supplier of choice to the Carriers in the final deployment and management of current mobile networks and their planned transformation into the next-generation cloud enabled, virtual and software driven networks.

On March 3, 2015, TMA purchased 600,000 shares of Series A Preferred Stock of $ 0.001 par value per share of Avion Networks, Inc. ("Avion"), a Delaware corporation. Avion is in the business of providing engineering and technology services to customers in telecommunication industry. TMA owns 30% of Avion and accounts for this investment under the equity method

Board:

Mr. Vineet Nayyar, Mr. Ulhas N. Yargop, Mr. Milind Kulkarni and Mr. Anil Khatri are the members of the Board of Directors.

Outlook for the current year:

The Company believes that the investments made over the last few years in cultivating long term relationships with major telecom companies will result in further increase in business and improvement in profits.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder(s) for the co-operation and assistance received from them.

Vineet Nayyar
Chairman

Place : Pune
Date : April 30, 2015

INDEPENDENT AUDITORS' REPORT

Tech Mahindra (Americas) Inc.

a wholly owned subsidiary of Tech Mahindra Limited, an India Corporation Plano, Texas

We have audited the accompanying financial statements of Tech Mahindra (Americas), Inc., (the "Company") a wholly owned subsidiary of Tech Mahindra Limited, an India corporation, which comprise the balance sheets as of March 31, 2015 and 2014, and the related statements of operations and retained earnings, and cash flows for the periods then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

As discussed in Note 2B to the financial statements, accounting principles generally accepted in the United States of America require the company to consolidate its 100% owned subsidiaries in its financial statements. For the purposes of these financial statements, the financial position and the results of operations of its wholly owned subsidiaries, Tech Talenta, Inc. and Lightbridge Communications Corporation has not been consolidated. The non-consolidation of the wholly owned subsidiaries is not in accordance with accounting principles generally accepted in the United States of America. The effects of this departure from accounting principles generally accepted in the United States of America on the financial position, results of operations, and cash flows have not been determined. A further separate set of consolidated financial statements is prepared to include Tech Talenta, Inc.

Qualified Opinion

In our opinion, except for the matter discussed in the Basis of Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra (Americas),Inc., (the "Company") a wholly owned subsidiary of Tech Mahindra Limited, as of March 31, 2015 and 2014, the results of its operations and its cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

As discussed in Notes 10 and 11 to the financial statements, the Company has had numerous transactions with the parent and affiliated companies.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules of Revenue and Expenses on pages herein are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Catrakilis Kraitzick Hrabova, LLC
Atlanta, Georgia

April 30, 2015

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Tech Mahindra (Americas), Inc.
a wholly owned subsidiary of Tech Mahindra Limited, an India corporation Plano, Texas

Our report on our audits of the basic financial statements of Tech Mahindra (Americas) Inc., a wholly owned subsidiary of Tech Mahindra Limited, an India corporation, as of March 31, 2015 and 2014, and the related statements of operations and retained earnings, and cash flows for the years then ended, appears on pages herein. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages herein is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

USD amounts in the supplemental schedules are translated for convenience into Indian Rupees (INR) at the exchange rate of INR 62.495 to 1.00 USD for both 2015 and 2014.

Catrakilis Kraitzick Hrabova, LLC
Atlanta, Georgia

April 30, 2015

SUPPLEMENTAL BALANCE SHEETS

	Note	March 31, 2015 USD	2015 INR	2014 USD	2014 INR
ASSETS:					
Current assets:					
Cash	3	**6,752,877**	**422,054,813**	7,890,096	493,131,000
Accounts receivable, net	4	**15,423,097**	**963,943,563**	8,170,189	510,636,813
Employee advances		**2,791,893**	**174,493,313**	2,500,130	156,258,125
Deferred tax assets	5	**4,291,777**	**268,236,063**	3,083,455	192,715,938
Due from parent company	10	**113,061,417**	**7,066,338,563**	80,015,927	5,000,995,438
Due from affiliated companies	11	**3,498,415**	**218,650,938**	140,552	8,784,500
Prepaid expenses and other current assets		**4,471,464**	**279,466,500**	2,580,250	161,265,625
Prepaid income tax		**1,259,183**	**78,698,938**	1,891,000	118,187,500
Total current assets		**151,550,123**	**9,471,882,691**	106,271,599	6,641,974,939
Property and equipment, net	6	**17,309,841**	**1,081,865,063**	19,232,914	1,202,057,125
Other assets:					
Security deposits		**442,431**	**27,651,938**	727,627	45,476,688
Intangible assets, net	7	**15,888,070**	**993,004,375**	17,212,076	1,075,754,750
Investment in subsidiaries and associated companies	8	**173,500,000**	**10,843,750,000**	600,000	37,500,000
Total other assets		**189,830,501**	**11,864,406,313**	18,539,703	1,158,731,438
Total Assets		**358,690,465**	**22,418,154,067**	144,044,216	9,002,763,502
LIABILITIES AND STOCKHOLDER'S EQUITY					
Liabilities:					
Current liabilities:					
Accrued expenses		**66,682,590**	**4,167,661,877**	52,685,843	3,292,865,192
Accounts payable		**5,946,622**	**371,663,875**	10,444,172	652,760,750
Income taxes payable		**-**	**-**	2,602,323	162,645,188
Due to parent company	10	**33,123,542**	**2,070,221,375**	18,520,232	1,157,514,500
Due to affiliated company	11	**1,729,201**	**108,075,063**	1,045,455	65,340,938
Long-term debt, current portion	13	**1,073,396**	**67,087,250**	1,073,396	67,087,250
Total current liabilities		**108,555,351**	**6,784,709,440**	86,371,421	5,398,213,818
Long-term debt, net of current portion	13	**1,280,126**	**80,007,875**	2,353,522	147,095,125
Stockholder's equity					
Common stock	14	**170,521,745**	**10,657,609,063**	375,000	23,437,500
Retained earnings		**78,333,243**	**4,895,827,689**	54,944,273	3,434,017,059
Total stockholder's equity		**248,854,988**	**15,553,436,752**	55,319,273	3,457,454,559
Total Liability and Stockholder's Equity		**358,690,465**	**22,418,154,067**	144,044,216	9,002,763,502

See Notes to Supplemental Financial Statements

SUPPLEMENTAL STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

	Years ended March 31,			
	2015		2014	
	USD	**INR**	USD	INR
REVENUE	**740,737,630**	**46,296,101,876**	330,097,846	20,631,115,376
OPERATING EXPENSES:				
Personnel	**435,343,718**	**27,208,982,375**	199,970,755	12,498,172,190
General and administrative	**254,165,531**	**15,885,345,685**	104,023,671	6,501,479,439
Amortization	**1,324,007**	**82,750,438**	1,324,006	82,750,375
Depreciation	**9,456,978**	**591,061,125**	4,263,281	266,455,063
Total operating expenses	**700,290,234**	**43,768,139,623**	309,581,713	19,348,857,067
Operating income	**40,447,396**	**2,527,962,253**	20,516,133	1,282,258,309
OTHER INCOME (EXPENSES)				
Interest expense	**(66,933)**	**(4,183,313)**	(19,930)	(1,245,625)
Foreign currency gain (loss)	**(3,439)**	**(214,938)**	(86,785)	(5,424,063)
Total other expense	**(70,372)**	**(4,398,251)**	(106,715)	(6,669,688)
Income before income tax expense	**40,377,024**	**2,523,564,002**	20,409,418	1,275,588,621
INCOME TAX EXPENSE (NOTE 5)	**16,841,309**	**1,052,581,813**	8,364,924	522,807,750
NET INCOME	**23,535,715**	**1,470,982,189**	12,044,494	752,780,871
Retained earnings, beginning of period	**54,944,273**	**3,434,017,063**	42,899,779	2,681,236,188
Stock issued as part of the merger transaction with entity related by common control (Note 18)	**(146,745)**	**(9,171,563)**	-	-
Retained earnings, end of period	**78,333,243**	**4,895,827,689**	54,944,273	3,434,017,059

See Notes to Supplemental Financial Statements

SUPPLEMENTAL STATEMENTS OF CASH FLOWS

	Years ended March 31,			
	2015		2014	
	USD	**INR**	USD	INR
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	**23,535,715**	**1,470,982,189**	12,044,494	752,780,871
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Amortization	**1,324,007**	**82,750,438**	1,324,006	82,750,375
Depreciation	**9,456,978**	**591,061,125**	4,263,281	266,455,063
Deferred income tax expense	**(1,208,322)**	**(75,520,125)**	(1,735,014)	(108,438,375)
Changes in operating assets and liabilities:				
Accounts receivable, net	**(7,252,908)**	**(453,306,750)**	(1,136,270)	(71,016,875)
Due from parent company	**(33,045,490)**	**(2,065,343,124)**	(55,122,278)	(3,445,142,375)
Due from affiliated companies	**(3,357,863)**	**(209,866,438)**	(65,073)	(4,067,063)
Employee advances	**(291,763)**	**(18,235,187)**	(801,232)	(50,077,000)
Prepaid expenses and other current assets	**(1,891,214)**	**(118,200,876)**	(1,258,694)	(78,668,374)
Prepaid income taxes	**631,817**	**39,488,563**	(1,117,000)	(69,812,500)
Security deposits and other assets	**285,196**	**17,824,750**	(611,203)	(38,200,188)
Accrued expenses	**13,996,746**	**874,796,624**	38,332,048	2,395,753,003
Accounts payable	**(4,497,550)**	**(281,096,875)**	(3,091,648)	(193,228,000)
Customer advances	**-**	**-**	(36,420)	(2,276,250)
Income tax payable	**(2,602,323)**	**(162,645,188)**	2,031,793	126,987,063
Due to parent company	**14,603,310**	**912,706,875**	18,228,656	1,139,291,000
Due to affiliated companies	**683,746**	**42,734,125**	(5,369,865)	(335,616,563)
Net Cash Provided by (Used in) Operating Activities	**10,370,082**	**648,130,126**	5,879,581	367,473,812
CASH FLOWS FROM INVESTING ACTIVITIES:				
Capital expenditures	**(7,533,905)**	**(470,869,063)**	(5,760,066)	(360,004,125)
Investment in subsidiaries and associates	**(172,900,000)**	**(10,806,250,000)**	(100,000)	(6,250,000)
Net Cash Used in Investing Activities	**(180,433,905)**	**(11,277,119,063)**	(5,860,066)	(366,254,125)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from long-term debt	**(1,073,396)**	**(67,087,250)**	3,426,918	214,182,375
Issuance of additional common stock	**170,000,000**	**10,625,000,000**	-	-
Net Cash Provided by Financing Activities	**168,926,604**	**10,557,912,750**	3,426,918	214,182,375
Net increase (decrease) in cash	**(1,137,219)**	**(71,076,187)**	3,446,433	215,402,062
Cash, beginning of period	**7,890,096**	**493,131,000**	4,443,663	277,728,938
Cash, end of period	**6,752,877**	**422,054,813**	7,890,096	493,131,000
Supplemental disclosure:				
Cash paid for interest	**90,137**	**5,633,563**	21,613	1,350,813
Cash paid for income taxes	**22,976,136**	**1,436,008,500**	6,522,616	407,663,500

See Notes to Supplemental Financial Statements

Notes to Supplemental Financial Statements March 31, 2015 and 2014

1. NATURE OF OPERATIONS

Tech Mahindra (Americas) Incorporated (TMA or the Company), is a wholly owned subsidiary of Tech Mahindra Limited (TechM), which is incorporated in the country of India. TMA was incorporated in the State of New Jersey in November 1993, and provides computer consulting and programming support services.

On March 6, 2012 TMA formed Tech Talenta, Inc. (TechT). TechT is a Texas corporation, which is 100% owned by TMA. TechT is engaged in the business of recruitment, fulfilment and ongoing management of local temporary contractor resources in the areas of IT Development, Product Engineering, IT System Support and Operations for clients across North America.

On July 20, 2012, the shareholder of the Company and its Board of Directors approved a Plan and Agreement of Merger whereby the Company and CanvasM (Americas), Inc. (CAI), a company related by common control, were merged with and into a single corporation. TMA is the surviving corporation. The separate existence of CAI ceased on September 1, 2012, the effective date of the merger. The issued shares of CAI were cancelled on the effective date of the merger.

On June 24, 2013 TechM and Satyam Computer Technologies Ltd (MSAT) merger was approved by the Indian High Court and as a result, the entire business of MSAT has been transferred and vested in TechM as a going concern. Effective January 1, 2014, the Company hired two thousand one hundred employees (2,100). All eligible employees were offered the right to participate in a 401(k) plan. In addition, all assets and liabilities that were merged into TechM were transferred to TMA.

In December 2014, the shareholder of the Company and its Board of Directors approved a Plan and Agreement of Merger whereby the Company and vCustomer Services, LLC (“vCustomer”), a company related by common control, were merged with and into a single corporation. TMA is the surviving corporation. The separate existence of vCustomer ceased on February 2, 2015, the effective date of the merger.

On February 6, 2015 TMA acquired 100% of Lightbridge Communications Corporation (“LCC”), a Delaware corporation. LCC provides integrated end-to-end solutions for wireless voice and data communications networks with offerings ranging from high level technical consulting to system design and optimization services, ongoing operations and maintenance services, and deployment services.

On March 3, 2015, TMA purchased 600,000 shares of Series A Preferred Stock of $ 0.001 par value per share of Avion Networks, Inc. (“Avion”), a Delaware corporation. Avion is in the business of providing engineering and technology services to customers in telecommunication industry. TMA owns 30% of Avion and accounts for this investment under the equity method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Company has adopted the Financial Accounting Standards Board (FASB) Codification (Codification or ASC). The Codification is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by non-governmental entities. All of the Codification’s content carries the same level of authority.

B. NON-CONSOLIDATED SUBSIDIARY

Tech Talenta, Inc.

TMA, a wholly owned subsidiary of TechM, has elected not to present consolidated financial statements for TMA and its wholly owned subsidiary TechT. Management is of the opinion that at TMA level, stand-alone company financial statements are considered more meaningful to the readers of the financial statements. A further set of consolidated financials will be prepared.

Lightbridge Communications Corporation

TMA, a wholly owned subsidiary of TechM, has elected not to present consolidated financial statements for TMA and its wholly owned subsidiary LCC. Management is of the opinion that at TMA level, stand-alone company financial statements are considered more meaningful to the readers of the financial statements.

C. INVESTMENTS IN ASSOCIATED COMPANIES

Investments in companies in which TMA does not have a controlling financial interest are accounted for using the equity method. The Company’s share of the after-tax earnings of equity method investees is included in Note 9. Equity method investments are classified as Investments in Subsidiaries and Associated Companies in the Balance Sheet.

D. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

E. CASH AND CASH EQUIVALENTS

The Company considers all investments with an original maturity of three months or less to be cash equivalent.

F. ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of amounts due from parent and affiliated companies' customers for services provided by TMA. As of March 31, 2015 and 2014, the allowance for doubtful accounts was $ 909,975 (INR 56,873,438) and $ 831,260 (INR 51,953,750), respectively. Management's estimate of uncollectible accounts is based upon an analysis of past due accounts. Accounts are written off when all methods to collect have been exhausted. Per the contract entered into with TechM on April 1, 2007, TechM assumes all business and entrepreneurial risks relating to all customer transactions. TechM may also elect to invoice customers directly. As per the contract, TMA invoices TechM the total costs incurred related to TechM projects plus a percentage (see Note 2I below).

G. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated using the straight-line method over an estimated useful life of three years. TMA capitalizes purchases greater than $ 500 (INR 31,250) with lesser amounts expensed in the year purchased.

H. INTANGIBLE ASSETS

The Company accounts for the intangible assets using FASB ASC 350, Goodwill and Other Intangible Assets. Under FASB ASC 350, intangible assets with identifiable useful lives are amortized on the straight-line basis over its determined useful lives. The Company evaluates the carrying value of the intangible assets on at least an annual basis and more frequently if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. If intangible assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying value of the reporting unit exceeds the fair value. There were no impairment charges recognized during the twelve months ended March 31, 2015.

Intangible assets consist primarily of trademarks and customer lists acquired in business combinations. These intangible assets are generally amortized over a period of 15 years.

I. REVENUE AND EXPENSES

Effective April 1, 2007, TMA has entered into a contract with TechM. Under the contract TMA remits to TechM 100% of all contract revenues. However, TechM, has agreed to reimburse TMA all direct project expenses and all indirect costs plus 5.75% of these expenses.

Revenue derived from business process outsource services is recognized on time and material basis, provided that no uncertainties regarding customer acceptance exist and collection of the related receivable is probable.

Expenses are recorded when incurred.

J. UNBILLED REVENUE

Unbilled revenue comprises of revenue recognized in relation to efforts incurred on time and material contracts not billed as of the period end where services are performed in accordance with agreed terms.

K. INCOME TAXES

TMA accounts for income taxes using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes . Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740 the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. TMA records valuation allowances against deferred tax assets as deemed necessary.

Per FASB ASC 740-10-20, the Company follows the recognition requirements for uncertain tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken on expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates.

L. RESTATEMENT

As stated in Note 1 above, on February 2, 2015, the business of vCustomer was merged with and into the Company as a single corporation. As a result, the accounts of vCustomer were merged with the Company's accounts as of that date. To be consistent with the current year presentation, certain prior year amounts have been restated to reflect the change from affiliated companies to parent company transactions.

3. CASH

At March 31, 2015 and 2014 cash and restricted cash are summarized as follows:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Cash at banks	**6,752,877**	**422,054,813**	7,890,096	493,131,000

4. ACCOUNTS RECEIVABLE

At March 31, 2015 and 2014, accounts receivable are summarized as follows:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due for services rendered and billed	**12,441,733**	**777,608,313**	6,682,169	417,635,563
Less: allowance for doubtful accounts	**(909,975)**	**(56,873,438)**	(831,260)	(51,953,750)
Amounts due for services rendered and billed, net	**11,531,758**	**720,734,875**	5,850,909	365,681,813
Amounts due for services rendered, not billed	**3,891,339**	**243,208,688**	2,319,280	144,955,000
Total accounts receivable, net	**15,423,097**	**963,943,563**	8,170,189	510,636,813

Billed accounts receivable concentrations:

	March 31, 2015		
	USD	**INR**	**Concentration**
Century Link	**1,751,370**	**109,460,625**	**11%**
Samsung Telecommunications America	**1,420,752**	**88,797,000**	**9%**

	March 31, 2014		
	USD	INR	Concentration
Century Link	2,334,069	145,879,313	39%

5. INCOME TAXES

TMA accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes , as described in Note 2K above.

For the years ended March 31, 2015 and 2014, the current income tax expense consists of the following:

	Years ended March 31,			
	2015		2014	
	USD	**INR**	USD	INR
Federal	**14,917,321**	**932,332,563**	6,139,016	383,688,500
State	**3,132,311**	**195,769,438**	1,294,654	80,915,875
	18,049,632	**1,128,102,001**	7,433,670	464,604,375

For the years ended March 31, 2015 and 2014, the deferred income tax expense (benefit) consists of the following:

	Years ended March 31,			
	2015		2014	
	USD	**INR**	USD	INR
Federal	**(1,038,834)**	**(64,927,125)**	546,416	34,151,000
State	**(169,489)**	**(10,593,063)**	384,838	24,052,375
	(1,208,323)	**(75,520,188)**	931,254	58,203,375
Total current and deferred income tax expense	**16,841,309**	**1,052,581,813**	8,364,924	522,807,750

Deferred tax asset consists of the following:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Federal	**3,670,881**	**229,430,063**	2,632,047	164,502,938
State	**620,896**	**38,806,000**	451,408	28,213,000
	4,291,777	**268,236,063**	3,083,455	192,715,938

As of March 31, 2015 and 2014, TMA had utilized all available federal net operating losses (NOLs) available to be carried forward from prior years. As of March 31, 2015 and 2014, the Company had approximately $ 216,193 (INR 13,512,063) and $ 29,857 (INR 1,866,063), respectively, of available state NOLs which were available to be carried forward through March 31, 2019. TMA expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset.

In the ordinary course of business there are many transactions with affiliated companies that affect the calculation and estimation of the Company's tax liability. Although management believes that the Company's tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's historical income tax provisions and accruals.

6. PROPERTY AND EQUIPMENT

At March 31, 2015 and 2014, property and equipment are summarized as follows:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Plant and machinery - cost	**19,885,448**	**1,242,840,500**	18,124,940	1,132,808,750
Computer and software - cost	**10,966,374**	**685,398,375**	6,892,660	430,791,250
Furniture and equipment - cost	**2,554,464**	**159,654,000**	1,568,979	98,061,188
Leasehold improvements - cost	**1,218,954**	**76,184,625**	741,322	46,332,625
Office equipment - cost	**368,734**	**23,045,875**	132,168	8,260,500
Less: accumulated depreciation	**(17,684,133)**	**(1,105,258,312)**	(8,227,155)	(514,197,188)
Property and equipment, net	**17,309,841**	**1,081,865,063**	19,232,914	1,202,057,125

Depreciation expense was $ 9,456,978 (INR 591,061,125) and $ 4,263,281 (INR 266,455,063) for the twelve months ended March 31, 2015 and 2014, respectively. The depreciation policies followed by TMA are described in Note 2G.

7. INTANGIBLE ASSETS, NET

At March 31, 2015 and 2014, intangible assets are summarized as follows:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Trademarks, customer lists and other	**19,860,088**	**1,241,255,500**	19,860,088	1,241,255,500
Less: accumulated amortization	**(3,972,018)**	**(248,251,125)**	(2,648,012)	(165,500,750)
Intangible assets, net	**15,888,070**	**993,004,375**	17,212,076	1,075,754,750

For the years ended March 31, 2015 and 2014, amortization expense was $1,324,007 (INR 82,750,438) and $1,324,006 (INR 82,750,375), respectively. The amortization policies followed by the Company are described in Note 2H.

8. INVESTMENT IN SUBSIDIARIES

The Company owns 100% investment (500,000 shares of $ 1.00 par value) in Tech Talenta, Inc. (100% owned subsidiary), that is accounted for on the cost method. The cost of investment was reported at $ 500,000 (INR 31,250,000) at March 31, 2015. The subsidiary's stockholder's equity at March 31, 2015 and 2014 was $ 562,604 (INR 35,137,750) and $ 436,775 (INR 27,298,438), respectively.

As stated in Note 1, the Company acquired 100% investment in Lightbridge Communications Corporation (100% owned subsidiary) on February 6, 2015, which is accounted for on the cost method. The purchase price was $ 170 million (INR 10,625 million) and the transaction related acquisition costs was $ 2,772,263 (INR 173,266,438), which was included in the general and administrative expenses in the statement of operations. The balance of the investment was reported at $ 170,000,000 ($10,625,000,000) at March 31, 2015. The subsidiary's stockholder's equity on March 31, 2015 was approximately $ 48,959,000 (INR 3,059,937,500).

9. INVESTMENT IN ASSOCIATED COMPANIES

The Company owns 30% investment (600,000 Series A Preferred Stock shares of $ 0.001 par value) in Avion, that is accounted for on equity method. The cost of investment was reported at $ 3,000,000 (INR 187,500,000) at March 31, 2015. The Company did not recognize any after-tax gains or losses from Avion during the year ended March 31, 2015, as Avion has not begun revenue generating activities.

10. TRANSACTIONS WITH PARENT COMPANY

As stated in Note 2 I above, TMA has entered into revenue sharing contracts with TechM, its parent company. The transactions with TechM is summarized below:

	Year ended March 31, 2015		Year ended March 31, 2014	
	USD	**INR**	USD	INR
Beginning balance, due from parent company	**61,495,695**	**3,843,480,938**	20,484,773	1,280,298,313
Contract revenue - parent company	**(45,209,287)**	**(2,825,580,438)**	(25,320,492)	(1,582,530,750)
Subcontracting cost from parent company	**-**	**-**	(989,278)	(61,829,875)
Income from parent company	**722,815,651**	**45,175,978,188**	312,326,989	19,520,436,813
Payments to parent company	**49,033,675**	**3,064,604,688**	20,876,647	1,304,790,438
Collections from parent company	**(860,055,691)**	**(53,753,480,688)**	(271,038,080)	(16,939,880,000)
Loan from parent company	**170,000,000**	**10,625,000,000**	-	-
Expense reimbursement - debit/credit notes	**(18,142,168)**	**(1,133,885,500)**	5,155,136	322,196,000
Ending balance, due from parent company	**79,937,875**	**4,996,117,188**	61,495,695	3,843,480,939

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due to parent company	**(33,123,542)**	**(2,070,221,375)**	(18,520,232)	(1,157,514,500)
Amounts due from parent company	**113,061,417**	**7,066,338,563**	80,015,927	5,000,995,438
	79,937,875	**4,996,117,188**	61,495,695	3,843,480,938

11. TRANSACTIONS WITH AFFILIATED COMPANIES

During years ending March 31, 2015 and 2014, TMA had inter-company transactions with Tech Mahindra Technologies, Inc. ("TechM Tech"), an affiliated company. Transaction with TechM Tech are summarized below:

	Year ended March 31, 2015		Year ended March 31, 2014	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TechM Tech	**45,741**	**2,858,813**	-	-
Expense reimbursement - debit / credit notes	**289,200**	**18,075,000**	45,741	2,858,813
Collections from TechM Tech	**(293,482)**	**(18,342,625)**	-	-
Ending balance, due (to) from TechM Tech	**41,459**	**2,591,188**	45,741	2,858,813

Due (to) from TechM Tech consists of:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due to TechM Tech	**-**	**-**	-	-
Amounts due from TechM Tech	**41,459**	**2,591,188**	45,741	2,858,813
	41,459	**2,591,188**	45,741	2,858,813

During the years ending March 31, 2015 and 2014, TMA had inter-company transactions with Tech Talenta, Inc. ("TechT"), its wholly owned subsidiary. Transaction with TechT are summarized below:

	Year ended March 31, 2015		Year ended March 31, 2014	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TechT	**(327,260)**	**(20,453,750)**	(220,097)	(13,756,063)
Subcontractor cost – TechT	**(11,414,908)**	**(713,431,750)**	(5,428,543)	(339,283,938)
Expense reimbursement - debit / credit notes	**814,590**	**50,911,875**	275,472	17,217,000
Amounts paid to TechT	**10,557,583**	**659,848,939**	5,045,908	315,369,250
Ending balance, due (to) from TechT	**(369,995)**	**(23,124,686)**	(327,260)	(20,453,751)

Due (to) from TechT consists of:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due to TechT	**(1,538,665)**	**(96,166,563)**	(327,260)	(20,453,750)
Amounts due from TechT	**1,168,670**	**73,041,875**	-	-
	(369,995)	**(23,124,688)**	(327,260)	(20,453,750)

During the years ending March 31, 2015 and 2014, TMA had inter-company transactions with Tech Mahindra BPO Services Ltd ("TMBPO"), an affiliated company. Transaction with TechM BPO are summarized below:

	Year ended March 31, 2015		Year ended March 31, 2014	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TMBPO	**94,811**	**5,925,688**	4,000	250,000
Contract revenue	**(401,504)**	**(25,094,000)**	-	-
Expense reimbursement - debit / credit notes	**158,691**	**9,918,188**	288,015	18,000,938
Collections from TMBPO	**-**	**-**	(197,204)	(12,325,250)
Payments made to TMBPO	**383,325**	**23,957,813**	-	-
Ending balance, due (to) from TMBPO	**235,323**	**14,707,689**	94,811	5,925,688

Due (to) from TMBPO consists of:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due to TMBPO	**(179,660)**	**(11,228,750)**	-	-
Amounts due from TMBPO	**414,983**	**25,936,438**	94,811	5,925,688
	235,323	**14,707,688**	94,811	5,925,688

During the years ending March 31, 2015 and 2014, TMA had inter-company transactions with Tech Mahindra IPR, Inc. ("TM IPR"), an affiliated company. Transaction with TM IPR are summarized below:

	Year ended March 31, 2015		Year ended March 31, 2014	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TM IPR	**(100,000)**	**(6,250,000)**	-	-
Income from TM IPR	**485,202**	**30,325,125**	-	-
Expense reimbursement - debit / credit notes	**1,079,162**	**67,447,625**	-	-
(Loan)/Investment in TM IPR	**-**	**-**	(100,000)	(6,250,000)
Amounts paid to TM IPR	**100,000**	**6,250,000**	-	-
Ending balance, due (to) from TM IPR	**1,564,364**	**97,772,750**	(100,000)	(6,250,000)

Due (to) from TM IPR consists of:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due to TM IPR	**-**	**-**	(100,000)	(6,250,000)
Amounts due from TM IPR	**1,564,364**	**97,772,750**	-	-
	1,564,364	**97,772,750**	(100,000)	(6,250,000)

During the years ending March 31, 2015 and 2014, TMA had inter-company transactions with Tech Mahindra ICT ("TM ICT"), an affiliated company. Transaction with TM ICT are summarized below:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TM ICT	**(2,142)**	**(133,875)**	-	-
Expense reimbursement - debit / credit notes	**-**	**-**	-	-
Ending balance, due (to) from TM ICT	**(2,142)**	**(133,875)**	-	-

	Years ended March 31, 2015		Years ended March 31, 2014	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TM ICT	**-**	**-**	-	-
Expense reimbursement - debit / credit notes	**(2,142)**	**(133,875)**	-	-
Ending balance, due (to) from TM ICT	**(2,142)**	**(133,875)**	-	-

Due (to) from TM ICT consists of:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due to TM ICT	**(2,142)**	**(133,875)**	-	-
Amounts due from TM ICT	**-**	**-**	-	-
	(2,142)	**(133,875)**	-	-

In the years ending March 31, 2015 and 2014, TMA had inter-company transactions with vCustomer Philippines, Inc., ("vCustomer Philippines"), an affiliated company. Transactions with vCustomer Philippines are summarized below:

	Year ended March 31, 2015		Year ended March 31, 2014	
	USD	**INR**	USD	INR
Beginning balance, due (to) from vCustomer Philippines	**(258,628)**	**(16,164,250)**	(1,306,441)	(81,652,563)
Expense reimbursement - debit / credit notes	**(5,741,359)**	**(358,834,938)**	(5,501,437)	(343,839,813)
Amounts paid to vCustomer Philippines	**6,203,755**	**387,734,688**	6,549,250	409,328,125
Ending balance, due (to) from vCustomer Philippines	**203,768**	**12,735,500**	(258,628)	(16,164,251)

Due (to) from vCustomer Philippines consists of:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due to vCustomer Philippines	**-**	**-**	(258,628)	(16,164,250)
Amounts due from vCustomer Philippines	**203,768**	**12,735,500**	-	-
	203,768	**12,735,500**	(258,628)	(16,164,250)

During the years ending March 31, 2015 and 2014, TMA had inter-company transactions with vCustomer Philippines (Cebu), Inc., ("vCustomer Cebu"), an affiliated company. Transactions with vCustomer Cebu are summarized below:

	Year ended March 31, 2015		Year ended March 31, 2014	
	USD	**INR**	USD	INR
Beginning balance, due (to) from vCustomer Cebu	**(170,039)**	**(10,627,438)**	(226,317)	(14,144,813)
Expense reimbursement - debit / credit notes	**(2,723,111)**	**(170,194,438)**	(3,136,812)	(196,050,750)
Amounts paid to vCustomer Cebu	**2,998,321**	**187,395,063**	3,193,090	199,568,125
Ending balance, due (to) from vCustomer Cebu	**105,171**	**6,573,187**	(170,039)	(10,627,438)

Due (to) from vCustomer Cebu consists of:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due to vCustomer Cebu	**-**	**-**	(170,039)	(10,627,438)
Amounts due from vCustomer Cebu	**105,171**	**6,573,188**	-	-
	105,171	**6,573,188**	(170,039)	(10,627,438)

During the years ending March 31, 2015 and 2014, TMA had inter-company transactions with New vC Services Private Limited ("vCustomer India"), an affiliated company. Transactions with vCustomer India are summarized below:

	Year ended March 31, 2015		Year ended March 31, 2014	
	USD	**INR**	USD	INR
Beginning balance, due (to) from vCustomer India	**(185,232)**	**(11,577,000)**	(461,877)	(28,867,313)
Expense reimbursement - debit / credit notes	**(2,301,261)**	**(143,828,813)**	(3,237,402)	(202,337,625)
Amounts paid to vCustomer India	**2,486,411**	**155,400,688**	3,514,047	219,627,938
Ending balance, due (to) from vCustomer India	**(82)**	**(5,125)**	(185,232)	(11,577,000)

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due to vCustomer India	**(82)**	**(5,125)**	(185,232)	(11,577,000)
Amounts due from vCustomer India	**-**	**-**	-	-
	(82)	**(5,125)**	(185,232)	(11,577,000)

During the years ending March 31, 2015 and 2014, TMA had inter-company transactions with Tech Mahindra Services De Informatica, LTDA ("TM Brazil"), an affiliated company. Transactions with TM Brazil are summarized below:

	Year ended March 31, 2015		Year ended March 31, 2014	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TM Brazil	**(4,296)**	**(268,500)**	(11,809)	(738,063)
Expense reimbursement - debit / credit notes	**(67,549)**	**(4,221,813)**	(72,228)	(4,514,250)
Amounts paid to TM Brazil	**63,193**	**3,949,563**	79,741	4,983,813
Ending balance, due (to) from TM Brazil	**(8,652)**	**(540,750)**	(4,296)	(268,500)

Due (to) from TM Brazil consists of:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due to TM Brazil	**(8,652)**	**(540,750)**	(4,296)	(268,500)
Amounts due from TM Brazil	**-**	**-**	-	-
	(8,652)	**(540,750)**	(4,296)	(268,500)

During the years ending March 31, 2015 and 2014, TMA had inter-company transactions with Lightbridge Communications Corporation (“LCC”), an affiliated company. Transactions with LCC are summarized below:

	Year ended March 31, 2015		Year ended March 31, 2014	
	USD	**INR**	USD	INR
Beginning balance, due (to) from LCC	**-**	**-**	-	-
Expense reimbursement - debit / credit notes	**62,500**	**3,906,250**	-	-
Investment in LCC	**(170,000,000)**	**(10,625,000,000)**	-	-
Income from affiliate	**50,097**	**3,131,063**	-	-
Collections from LCC	**(45,075,567)**	**(2,817,222,938)**	-	-
Payments made to LCC	**214,962,970**	**13,435,185,625**	-	-
Ending balance, due (to) from LCC	**-**	**-**	-	-

Due (to) from LCC consists of:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due to LCC	**-**	**-**	-	-
Amounts due from LCC	**-**	**-**	-	-
	-	**-**	-	-

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Amounts due to affiliated companies	**(1,729,201)**	**(108,075,063)**	(1,045,455)	(65,340,938)
Amounts due from affiliated companies	**3,498,415**	**218,650,938**	140,552	8,784,499
	1,769,214	**110,575,875**	(904,903)	(56,556,439)

12. LINE OF CREDIT

In January 2015, the Company entered into a credit facilities agreement with a financial institution. The credit facilities consist of 1) $12 million Documentary Letters of Credit; 2) $10 million Overdraft; 3) $10 million Revolving Credit Facility; 4) $1.5 million Business Card. The maximum borrowing of the credit facilities is $ 33.5 million (INR 2,093.75 million) with interest rates as follows: 1) 1.25% for Overdraft; 2) LIBOR plus 0.8% for Documentary Letters of Credit and 3) LIBOR plus 1% for revolving Credit Facility. The credit facilities mature on February 28, 2016. The balance outstanding at March 31, 2015 was zero.

In January 2015, the Company entered into a revolving line of credit facility with a financial institution. The maximum borrowing of the line of credit facility is $ 40 million (INR 2,500 million) with variable interest rate at LIBOR plus 1.1%. The line of credit matures on December 15, 2015. The balance outstanding at March 31, 2015 was zero.

13. LONG TERM DEBT

At March 31, 2015 and 2014, long-term debt consists of the following:

	March 31, 2015		March 31, 2014	
	USD	**INR**	USD	INR
Note payable to a financial institution dated October 30, 2013, collateralized by a software license. This note has an annual interest rate of 3.02% and monthly installments of $173,333 beginning January 2014 through October 2016.	**1,213,333**	**75,833,312**	1,906,667	119,166,687
Note payable to a financial institution dated January 30, 2014, collateralized by a software license. This note has an annual interest rate of 2.98% and monthly payments of $ 95,016 beginning April 2014 through January 2018.	**1,140,189**	**71,261,813**	1,520,251	95,015,688
Less: current portion	**(1,073,396)**	**(67,087,250)**	(1,073,396)	(67,087,250)
Long-term portion	**1,280,126**	**80,007,875**	2,353,522	147,095,125

Future maturities of long-term debt are as follows:

Year ending March 31,	USD	INR
2016	1,073,396	67,087,250
2017	900,063	56,253,938
2018	380,063	23,753,937
	2,353,522	147,095,125

14. COMMON STOCK

The Company is authorized to issue 220,000,000 shares of common stock, par value $1 per share, of which 170,521,745 and 375,000 shares were issued and outstanding on March 31, 2015 and 2014, respectively

15. CONCENTRATIONS WITH PARENT COMPANY'S CUSTOMERS

Revenue from the parent and affiliated companies ("contract revenue") for the twelve months ended March 31, 2015 and 2014 contract revenue was $ 759,772,185 (INR 47,485,761,563) and $ 312,917,205 (INR 19,557,325,313), representing 98% and 95%, respectively. This contract revenue is received by TMA and then is transferred to TechM and affiliated companies. Contract revenue has been treated as agency transactions for financial statements purposes.

Contract revenue concentrations:

	Year ended March 31, 2015		
	Amount		**Concentration**
	USD	**INR**	
CenturyLink	**14,306,434**	**894,152,125**	**23%**
BlueStem	**7,646,984**	**477,936,500**	**12%**

	Year ended March 31, 2014		
	Amount		Concentration
	USD	INR	
CenturyLink	8,880,208	555,013,000	35%
Samsung Telecommunications America	1,927,087	120,442,938	8%

16. EMPLOYEE BENEFITS

TMA's medical benefits are provided under a partially self-insured plan and a contract with an insurance company for major stop-loss coverage. Under the insurance contract, TMA is liable for all expenses under an aggregate annual maximum based on the number of persons covered. Management has included in accrued expenses claims payable and an estimate of incurred but not paid claims as of the year end.

Employees of TMA may be allotted/granted shares in TechM in terms of several Employee Stock Option plans. The allotment of options to eligible employees is decided by the Compensation Committee which is comprised of certain directors of TechM. However, it is the opinion of management that the options granted to the employees relate to the services rendered to the parent company and therefore need not be accounted for by TMA under FASB ASC 718, Compensation - Stock Compensation.

Effective from January 1, 2014, TMA joined the Satyam Computer Services, Ltd. 401K Plan ("the Plan") as an adopting employer. From this date, eligible employees may elect to join the Plan and all plan contributions are withheld from employees' salaries and paid directly to the Plan. The Company has elected not to make any company contributions to the Plan. TechM is the Plan administrator.

The Plan is currently in compliance settlement discussions with the U.S. Department of Labor relating to required financial disclosures for the 2011 financial year that were not provided to the authorities ("the Matter"). On March 28, 2014, the Plan's legal counsel has filed a motion for continuance which the court granted. The Company filed the required financial disclosures with the authorities in November

Management is of the opinion that, as an adopting employer, the Company is not subject to any sanctions, fines or penalties relating to the Matter. However, in the unlikely event that sanctions, fines or penalties are levied by the court or the U.S. Department of Labor on TMA as an adopting employer, TechM as the fund administrator, has undertaken to reimburse TMA in full for all such costs.

17. COMMITMENTS

Leases:

TMA leases office space under operating leases. Rent expenses under these operating leases were $ 2,080,821 (INR 130,051,313) and $ 956,693 (INR 59,793,313) for the twelve months ended March 31, 2015 and 2014, respectively. Future minimum lease payments under operating leases are as follows:

Year ending March 31,	USD	INR
2016	2,171,841	135,740,063
2017	2,134,242	133,390,125
2018	1,535,990	95,999,375
2019	942,995	58,937,188
2020	604,938	37,808,625
2021	429,962	26,872,625
	7,819,968	488,748,001

18. MERGER WITH COMPANY RELATED BY COMMON CONTROL

The Company and vCustomer, pursuant to the provisions of the laws of the New Jersey Business Corporation Act and the provisions of the laws of the State of Washington, were merged with and into a single corporation. TMA is the surviving corporation upon the effective date of the merger and which continues to exist as said surviving corporation under its present name pursuant to the provisions of the New Jersey Business Corporation Act. The separate existence of vCustomer ceased on February 2, 2015, the effective date of the merger in accordance with the laws of the jurisdiction of organization.

The merger of the vCustomer with and into TMA has been duly authorized in compliance with the laws of the jurisdiction of organization of the terminating corporation and as the Plan and Agreement of Merger has been approved by the shareholders entitled to vote of the surviving corporation in the manner prescribed by the provisions of the New Jersey Business Corporation Act.

The following table summarizes the fair market values of the assets acquired on February 2, 2015 in terms of the merger referred to above. In terms of U.S. GAAP the transaction is a transaction between related parties under common control. Consequently, the company does not record any stepped up basis for the assets acquired.

	USD	INR
Cash	**3,286,491**	**205,405,688**
Accounts receivable	**5,356,539**	**334,783,688**
Prepaid expenses	**156,498**	**9,781,125**
Due from affiliated companies	**308,939**	**19,308,688**
Deferred tax asset	**35,049**	**2,190,563**
Property and equipment	**83,408**	**5,213,000**
Security deposits	**15,540**	**971,250**
Intangible assets	**16,108,738**	**1,006,796,125**
Total assets	**25,351,202**	**1,584,450,127**
Accounts payable	**718**	**44,875**
Accrued expenses	**491,992**	**30,749,500**
Due to affiliated companies	**79,734**	**4,983,375**
Total liabilities	**572,444**	**35,777,750**
Net assets acquired	**24,778,758**	**1,548,672,377**

19. CONTINGENT LIABILITIES

During the year ended March 31, 2015, TMA was named as a defendant in a lawsuit. The Company has engaged legal counsel and intends to vigorously defend against the claim. Although it is not possible to determine the result of the claim with certainty, the potential loss is estimated to be up to $ 40,000 (INR 2,500,000) plus attorney fees. Management believes that the outcome of this case will not have a material adverse impact on the financial position, results of operations, or cash flows of the company.

20. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 30, 2015, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to April 30, 2015, that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES (USD & INR)

	Years ended March 31,			
	2015		2014	
	USD	**INR**	USD	INR
Schedule I				
REVENUE				
Contract revenue	**45,209,287**	**2,825,580,438**	25,320,492	1,582,530,750
Transfers to parent and affiliated companies	**(45,209,287)**	**(2,825,580,438)**	(25,320,492)	(1,582,530,750)
	-	**-**	-	-
Revenue from parent and affiliated companies	**723,470,391**	**45,216,899,438**	312,917,205	19,557,325,313
Revenue from third parties	**17,267,239**	**1,079,202,438**	17,180,641	1,073,790,063
	740,737,630	**46,296,101,876**	330,097,846	20,631,115,376
Schedule II				
PERSONNEL EXPENSES				
Salaries				
Software engineers	**380,344,586**	**23,771,536,625**	168,792,247	10,549,515,438
Administrative	**-**	**-**	734,637	45,914,813
Sales and marketing	**1,200,000**	**75,000,000**	4,769,111	298,069,438
Payroll taxes	**29,764,836**	**1,860,302,250**	14,420,853	901,303,313
Employee benefits	**24,034,296**	**1,502,143,500**	11,253,907	703,369,188
	435,343,718	**27,208,982,375**	199,970,755	12,498,172,190
Schedule III				
GENERAL AND ADMINISTRATIVE				
Contracted services	**200,240,430**	**12,515,026,875**	85,390,601	5,336,912,563
Travel	**28,595,979**	**1,787,248,688**	10,306,128	644,133,000
Communications	**3,198,949**	**199,934,313**	1,474,814	92,175,875
Office expenses	**7,859,150**	**491,196,875**	1,039,644	64,977,750
Project specific expenses	**573,075**	**35,817,188**	940,674	58,792,125
Rent	**2,080,821**	**130,051,313**	956,693	59,793,313
Professional fees	**6,342,890**	**396,430,625**	846,584	52,911,500
Sales and marketing	**2,073,240**	**129,577,500**	944,742	59,046,375
Sales and other indirect taxes	**1,428,920**	**89,307,500**	648,983	40,561,438
Entertainment	**592,866**	**37,054,125**	593,002	37,062,625
Bad debt expense (recovery)	**78,714**	**4,919,625**	451,912	28,244,500
Software charges	**67,149**	**4,196,813**	82,688	5,168,000
Reimbursable expenses	**3,632**	**227,000**	6,622	413,875
Miscellaneous	**525,923**	**32,870,182**	191,479	11,967,437
Insurance	**503,793**	**31,487,063**	149,105	9,319,063
	254,165,531	**15,885,345,685**	104,023,671	6,501,479,439

See Notes to Supplemental Financial Statements

TECH TALENTA INC.

Board of Directors

Mr. L. Ravichandran

Mr. Vivek Karla

Registered Office

211, E. 7th Street,

Suite 620, Austin,

Tx 78701, Texas, USA.

Bankers

HSBC Bank

Auditors

Catrakilis Kraitzick Hrabova, LLC

CPAs and Advisors.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2015.

Financial Results:

For the year ended March 31	**2015 $**	**2015 INR**	2014 $	2014 INR
Income	**16,189,863**	**1,011,785,488**	9,742,296	608,844,789
Profit/(Loss) before tax	**200,121**	**12,506,560**	90,992	5,682,170
Profit/(Loss) after tax	**125,829**	**7,863,682**	48,683	3,042,444

Review of operations:

During the fiscal year, the Company achieved income of US$ 16,189,863 (equivalent to INR 1,011,785,488) an increase of 66% over the sales for the previous year. The Company is engaged in the business of recruitment, fulfillment and ongoing management of local temporary contractor resources in the areas of IT Development, Product Engineering and IT Systems Support Operations. TTI is a wholly owned subsidiary of Tech Mahindra (Americas) Inc.

Board:

Mr. L Ravichandran and Mr. Vivek Karla are the members of the Board of Directors.

Outlook for the current year:

We foresee a stronger revenue growth from emerging markets in United States. Given the current trends in staffing industry we continue to focus on price discipline and provide more strategic value to our customers.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder(s) for the co-operation and assistance received from them.

L Ravichandran
Director

Pune, April 23, 2015

INDEPENDENT AUDITORS' REPORT

Board of Directors
Tech Talenta, Inc.
a wholly owned subsidiary of Tech Mahindra (Americas), Inc. Plano, Texas

We have audited the accompanying financial statements of Tech Talenta, Inc., (the "Company") a wholly owned subsidiary of Tech Mahindra (Americas), Inc. which comprise the balance sheets as of March 31, 2015 and 2014, and the related statements of operations and retained earnings (accumulated deficit), and cash flows for the periods then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Talenta, Inc., (the "Company") a wholly owned subsidiary of Tech Mahindra (Americas), Inc. as of March 31, 2015 and 2014, the results of its operations and its cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

As discussed in Notes 5 and 6 to the financial statements, the Company has had numerous transactions with the parent and affiliated companies.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules of Revenue and Expenses on pages herein are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Catrakilis Kraitzick Hrabova, LLC
Atlanta, Georgia

April 23, 2015

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Tech Talenta, Inc.
a wholly owned subsidiary of Tech Mahindra (Americas), Inc. Plano, Texas

Our report on our audits of the basic financial statements of Tech Talenta, Inc. a wholly owned subsidiary of Tech Mahindra (Americas), Inc., as of March 31, 2015 and 2014, and the related statements of operations and retained earnings (accumulated deficit), and cash flows for the years then ended, appears on pages herein. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages herein is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

USD amounts in the supplemental schedules are translated for convenience into Indian Rupees (INR) at the exchange rate of INR 62.495 to 1.00 USD for both 2015 and 2014.

Catrakilis Kraitzick Hrabova, LLC
Atlanta, Georgia

April 23, 2015

BALANCE SHEETS

		March 31,			
		2015		2014	
	Note	**USD**	**INR**	USD	INR
ASSETS:					
Current assets:					
Cash		**362,524**	**22,655,937**	114,161	7,134,492
Accounts receivable	3	**1,163,340**	**72,702,933**	676,890	42,302,241
Employee advances		**5,402**	**337,598**	-	-
Prepaid income tax		**1,255**	**78,431**	-	-
Due from parent company	5	**1,538,685**	**96,160,119**	679,702	42,477,976
Due from affiliated company	6	**33,484**	**2,092,583**	227,463	14,215,300
Total current assets		**3,104,690**	**194,027,601**	1,698,216	106,130,009
Other assets:					
Deferred tax asset	4	**25,091**	**1,568,062**	40,908	2,556,545
Security deposits		**3,923**	**245,168**	4,870	304,351
		29,014	**1,813,230**	45,778	2,860,896
Total Assets		**3,133,704**	**195,840,831**	1,743,994	108,990,905
LIABILITIES AND STOCKHOLDER'S EQUITY:					
Liabilities:					
Current liabilities:					
Accounts payable		**21,987**	**1,374,078**	82,840	5,177,086
Accrued expenses		**1,136,917**	**71,051,628**	693,239	43,323,971
Due to parent company	5	**1,168,671**	**73,036,094**	352,442	22,025,863
Due to affiliate company	6	**243,525**	**15,219,095**	173,253	10,827,446
Income tax payable		**-**	**-**	5,445	340,285
Total current liabilities		**2,571,100**	**160,680,895**	1,307,219	81,694,651
Stockholder's equity:					
Common stock - $1 par value, 500,000 shares authorized, issued and outstanding		**500,000**	**31,247,500**	500,000	31,247,500
Retained earnings (accumulated deficit)		**62,604**	**3,912,436**	(63,225)	(3,951,246)
Total stockholder's equity		**562,604**	**35,159,936**	436,775	27,296,254
Total Liabilities and Stockholder's Equity		**3,133,704**	**195,840,831**	1,743,994	108,990,905

See notes to supplimental financial statements

STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT

		Twelve months ended March 31,			
	Schedule	**2015**		2014	
		USD	**INR**	USD	INR
REVENUE	I	**16,189,863**	**1,011,785,488**	9,742,296	608,844,789
OPERATING EXPENSES:					
Personnel	II	**14,016,629**	**875,969,230**	7,268,371	454,236,846
General and administrative	III	**1,973,113**	**123,309,698**	2,383,003	148,925,773
Total operating expenses		**15,989,742**	**999,278,928**	9,651,374	603,162,619
Operating income		**200,121**	**12,506,560**	90,922	5,682,170
OTHER EXPENSES:					
Foreign currency exchange loss		**1,811**	**113,178**	-	-
Total other expenses		**1,811**	**113,178**	-	-
Income before income tax expense		**198,310**	**12,393,382**	90,922	5,682,170
INCOME TAX EXPENSE	Note 4	**72,481**	**4,529,700**	42,239	2,639,726
NET INCOME		**125,829**	**7,863,682**	48,683	3,042,444
Accumulated deficit, beginning of period		**(63,225)**	**(3,951,246)**	(111,908)	(6,993,690)
Retained earnings (accumulated deficit), end of period		**62,604**	**3,912,436**	(63,225)	(3,951,246)

See notes to supplemental financial statements

STATEMENTS OF CASH FLOWS

	Twelve months ended March 31,			
	2015		2014	
	USD	**INR**	USD	INR
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	**125,829**	**7,863,683**	48,683	3,042,444
Adjustments to reconcile net income to cash used in operating activities:				
Deferred income tax expense (benefit)	**15,817**	**988,483**	32,414	2,025,713
Changes in operating assets and liabilities:				
Accounts receivable	**(486,450)**	**(30,400,693)**	(663,262)	(41,450,559)
Employee advances	**(5,402)**	**(337,598)**	-	-
Prepaid income tax	**(1,255)**	**(78,431)**	2,550	159,362
Due from parent company	**(858,983)**	**(53,682,143)**	(459,604)	(28,722,952)
Due from affiliated company	**193,979**	**12,122,718**	(175,676)	(10,978,872)
Security deposits	**947**	**59,183**	(4,870)	(304,351)
Accounts payable	**(60,853)**	**(3,803,008)**	81,303	5,081,031
Accrued expenses	**443,678**	**27,727,657**	532,223	33,261,276
Due to parent company	**816,229**	**51,010,231**	352,442	22,025,863
Due to affiliated company	**70,272**	**4,391,649**	173,253	10,827,446
Income tax payable	**(5,445)**	**(340,285)**	3,535	220,920
Net Cash Provided by (Used in) Operating Activities	**248,363**	**15,521,446**	(77,009)	(4,812,679)
Net increase (decrease) in cash	**248,363**	**15,521,445**	(77,009)	(4,812,677)
Cash, beginning of period	**114,161**	**7,134,492**	191,170	11,947,169
Cash, end of period	**362,524**	**22,655,937**	114,161	7,134,492
Supplemental cash flow disclosure:				
Cash paid for income taxes	**63,364**	**3,959,932**	3,740	233,731

See notes to supplemental financial statements

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2015 AND 2014

1. NATURE OF OPERATIONS

Tech Talenta Inc. (the "Company" or "TechT") is a wholly owned subsidiary of Tech Mahindra (Americas), Inc. The Company was incorporated in the State of Texas on March 6, 2012 and is engaged in the business of recruitment, fulfillment and ongoing management of local temporary contractor resources in the areas of IT Development, Product Engineering, IT Systems Support and Operations for clients across North America.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Company has adopted the Financial Accounting Standards Board (FASB) Codification (Codification or ASC). The Codification is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by non-governmental entities. All of the Codification's content carries the same level of authority.

B. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. CASH AND CASH EQUIVALENTS

The Company considers all investments with an original maturity of three months or less to be cash equivalents.

D. ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of amounts due from parent and affiliated companies' customers for services provided by the Company. Management's estimates of uncollectible accounts is based upon an analysis of past due accounts. Accounts are written off when all methods of collection have been exhausted.

E. REVENUE RECOGNITION

Effective October 1, 2013, the Company has entered into a contract with Tech Mahindra Limited ("TechM"), an affiliated company. Under the contract the Company remits to TechM 100% of all contract revenues. In return, TechM, has agreed to reimburse TechT all direct project expenses and all indirect costs plus 3% of these expenses.

Revenue is derived from services that are provided under both fixed fee contracts and time and material contracts. Revenue on fixed fee contracts is recognized based on the percentage of completion method, which is calculated based on total hours incurred to total estimated hours. Revenue on time and material contracts is recognized as the services are performed.

Unbilled revenue comprises of revenue recognized in relation to efforts incurred on fixed fee and time and material contracts not billed as of the period end where services are performed in accordance with agreed terms.

F. INCOME TAXES

The Company accounts for income taxes using FASB ASC 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740, the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records valuation allowances against deferred tax assets as deemed necessary.

In accordance with FASB ASC 740-10-20, the Company follows the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more- likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates.

3. ACCOUNTS RECEIVABLE

Accounts receivable are summarized as follows as of March 31, 2015 and 2014:

	March 31,			
	2015		2014	
	USD	**INR**	USD	INR
Amounts due for services rendered, billed	**729,486**	**45,589,228**	507,965	31,745,273
Amounts due for services rendered, not billed	**497,389**	**31,084,325**	168,925	10,556,968
Allowance for doubtful accounts	**(63,535)**	**(3,970,620)**	-	-
Accounts receivable, net	**1,163,340**	**72,702,933**	676,890	42,302,241

Billed accounts receivable concentrations:	**March 31, 2015**			
	USD	**Concentration**	**INR**	**Concentration**
CHR Solutions	**148,348**	**20%**	**9,271,008**	**20%**
HP Enterprise Services, LLC	**144,634**	**20%**	**9,038,902**	**20%**
T-Mobile PCS Holdings	**-**	**0%**	**-**	**0%**

Billed accounts receivable concentrations:	March 31, 2014			
	USD	Concentration	INR	Concentration
CHR Solutions	206,724	41%	12,919,216	41%
HP Enterprise Services, LLC	-	0%	-	0%
T-Mobile PCS Holdings	238,680	47%	14,916,307	47%

Subsequent to year end, as of April 20, 2015, $326,358 (INR 20,395,743) (48%) of billed accounts receivable balance outstanding at March 31, 2015 has been collected.

4. INCOME TAXES

The Company accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes, as discussed in Note 2F above.

Current income tax expense consist of the following:

	Twelve months ended March 31,			
	2015		2014	
	USD	**INR**	USD	INR
Federal	**41,783**	**2,611,229**	-	-
State	**14,881**	**929,988**	9,825	614,013
Total current income tax expense (benefit)	**56,664**	**3,541,217**	9,825	614,013

Deferred income tax expense (benefit) consist of the following:

	Twelve months ended March 31,			
	2015		2014	
	USD	**INR**	USD	INR
Federal	**15,441**	**964,985**	26,549	1,659,180
State	**376**	**23,498**	5,865	366,533
Total deferred income tax expense (benefit)	**15,817**	**988,483**	32,414	2,025,713
Total current and deferred income tax expense (benefit)	**72,481**	**4,529,700**	42,239	2,639,726

Deferred tax asset consists of the following

	March 31,			
	2015		2014	
	USD	**INR**	USD	INR
Federal	**19,981**	**1,248,713**	35,423	2,213,760
State	**5,110**	**319,349**	5,485	342,785
Total deferred tax Assets	**25,091**	**1,568,062**	40,908	2,556,545

As of March 31, 2015 and 2014, the Company had approximately $ 0 (INR 0) and $104,182 (INR 6,510,854) of federal net operating losses (NOLs) and $ 7,950 (INR 496,835) and $ 76,517 (INR 4,781,930) of state NOLs available to be carried forward, respectively. The Company expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset.

In the ordinary course of business, there are many intercompany transactions that affect the calculation and estimation of the Company's tax liability. Although the Company's management believes that their tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's income tax provisions and accruals.

5. TRANSACTIONS WITH PARENT COMPANY

In the periods ended March 31, 2015 and 2014, TechT had inter-company transactions with Tech Mahindra (Americas), the parent company. Transactions with parent company are summarized below:

	Twelve months ended March 31,			
	2015		2014	
	USD	**INR**	USD	INR
Beginning balance, due to parent company	**327,260**	**20,452,114**	220,098	13,755,025
Revenue from parent company	**11,414,908**	**713,374,675**	5,428,543	339,256,795
Expense reimbursement - debit / credit notes	**(814,590)**	**(50,907,802)**	(275,474)	(17,215,749)
Collections from parent company	**(10,557,564)**	**(659,794,962)**	(5,045,907)	(315,343,958)
Ending balance, due (to) from parent company	**370,014**	**23,124,025**	327,260	20,452,113

Due (to) from parent consists of:

	March 31,			
	2015		2014	
	USD	**INR**	USD	INR
Amounts due to parent company	**(1,168,671)**	**(73,036,094)**	(352,442)	(22,025,863)
Amounts due from parent company	**1,538,685**	**96,160,119**	679,702	42,477,976
	370,014	**23,124,025**	327,260	20,452,113

6. TRANSACTIONS WITH AFFILIATED COMPANY

In the periods ended March 31, 2015 and 2014, TechT had inter-company transactions with Tech Mahindra Limited ("TechM"), an affiliated company. Transactions with TechM are summarized below:

	Twelve months ended March 31,			
	2015		2014	
	USD	**INR**	USD	INR
Beginning balance, due (to) from TechM	**54,210**	**3,387,854**	51,787	3,236,429
Revenue from TechM	**1,179,309**	**73,700,916**	2,772,790	173,285,511
Expense reimbursement - debit / credit notes	**(59,972)**	**(3,747,950)**	(61,248)	(3,827,694)
Collections from affiliated company	**(1,383,588)**	**(86,467,332)**	(2,709,119)	(169,306,392)
Ending balance, due (to) from TechM	**(210,041)**	**(13,126,512)**	54,210	3,387,854

Due (to) from TechM consists of:	**March 31,**			
	2015		2014	
	USD	**INR**	USD	INR
Amounts due to TechM	**(243,525)**	**(15,219,095)**	(173,253)	(10,827,446)
Amounts due from TechM	**33,484**	**2,092,583**	227,463	14,215,300
	(210,041)	**(13,126,512)**	54,210	3,387,854

7. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 23, 2015, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to April 23, 2015, that would have a material impact on the financial statements.

Supplemental Schedules of Revenue and Expenses

	Twelve months ended March 31,			
	2015		2014	
	USD	**INR**	USD	INR
Schedule I				
REVENUE				
Revenue from parent company	**11,414,908**	**713,374,675**	5,428,543	339,256,795
Revenue from affiliated company	**1,179,309**	**73,700,916**	2,772,790	173,285,511
Revenue from third parties	**3,595,646**	**224,709,897**	1,540,963	96,302,483
	16,189,863	**1,011,785,488**	9,742,296	608,844,789
Schedule II				
PERSONNEL EXPENSES				
Personnel cost				
Software engineers	**12,560,862**	**784,991,071**	6,252,572	390,754,487
Sales and marketing	**430,654**	**26,913,722**	417,573	26,096,225
Payroll tax	**1,025,113**	**64,064,437**	598,226	37,386,134
	14,016,629	**875,969,230**	7,268,371	454,236,846
Schedule III				
GENERAL AND ADMINISTRATIVE				
Contracted services	**1,740,226**	**108,755,424**	2,246,388	140,388,018
Bad debt expense	**63,535**	**3,970,620**	-	-
Professional fees	**61,946**	**3,871,315**	87,725	5,482,374
Travel	**60,059**	**3,753,387**	22,050	1,378,015
Other taxes	**19,170**	**1,198,029**	20,705	1,293,959
Business promotion expense	**8,872**	**554,456**	-	-
Entertainment	**6,497**	**406,030**	1,331	83,181
Miscellaneous expense	**6,478**	**404,843**	4,804	300,226
Office expense	**4,870**	**304,351**	-	-
Communication	**1,460**	**91,243**	-	-
	1,973,113	**123,309,698**	2,383,003	148,925,773

See notes to supplemental financial statements

TECH MAHINDRA IPR INC.

Board of Directors

Mr. L Ravichandran – President

Mr. Milind Kulkarni

Registered Office

2711 Centerville Road, Suite 400,

City of Wilmington,

County of New Castle,

19808, State of Delaware

Bankers

HSBC Bank

Auditors

Catrakilis Kraitzick Hrabova, LLC.

CPAs and Advisors

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2015.

Tech Mahindra IPR, Inc. (the"Company") a wholly owned subsidiary of Tech Mahindra Limited (TML), a company incorporated under the laws of Delaware, USA, to carry on the business of purchasing, conceiving, creating, improving, marketing, selling, delivering, producing and supplying software products for insurance policy administration and for other purposes. The Company formed during December, 2013 by by Tech Mahindra (Americas) Inc with the transfer of the shares held by TMA to Tech Mahindra Ltd, it has become wholly owned subsidiary of TML during the year under review. The operations of the company were commenced during the year under review.

Financial Results:

For the year ended March 31	**2015 $**	**2015 INR**	2014 $	2014 INR
Income	**1,906,250**	**119,131,094**	-	-
Profit/(Loss) before tax	**(1,127,353)**	**(70,453,926)**	-	-
Profit/(Loss) after tax	**(744,295)**	**(46,514,716)**	-	-

Review of operations:

During the fiscal year, the Company achieved income of US$ 1,906,250 (equivalent to INR 119,131,094). The Company continues to invest in strengthening its business in the US which is the largest IT market in the World.

Board:

Mr. L Ravichandran and Mr. Milind Kulkarni are the members of the Board of Directors.

Outlook for the current year:

The Company believes that the investments made over the last years in improvising the product and nurturing the client existing relationship will result in further increase in business and improvement in profits.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder(s) for the co-operation and assistance received from them.

Milind Kulkarni
Director

Place : Pune
Date : April 20, 2015

INDEPENDENT AUDITORS' REPORT

Board of Directors
Tech Mahindra IPR, Inc.
a wholly owned subsidiary of Tech Mahindra Limited
Plano, Texas

We have audited the accompanying financial statements of Tech Mahindra IPR, Inc. (the "Company") a wholly owned subsidiary of Tech Mahindra Limited, a company incorporated under the laws of India, which comprise the balance sheets as of March 31, 2015 and 2014, and the related statements of operations and accumulated deficit, and cash flows for the periods then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra IPR, Inc., (the "Company") a wholly owned subsidiary of Tech Mahindra Limited as of March 31, 2015 and 2014, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

As discussed in Note 7 to the financial statements, the Company has had numerous transactions with the parent and affiliated companies.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules of Revenue and Expenses on pages herein are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Catrakilis Kraitzick Hrabova, LLC.
Atlanta, Georgia
April 20, 2015

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Tech Mahindra IPR, Inc.
a wholly owned subsidiary of Tech Mahindra Limited, an India corporation
Plano, Texas

Our report on our audits of the financial statements of Tech Mahindra IPR Inc., a wholly owned subsidiary of Tech Mahindra Limited, an India corporation, (the "Company") as of March 31, 2015 and 2014, appears on pages herein. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The information on pages herein is presented for purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

USD amounts in the supplemental schedules are translated for convenience into Indian Rupees (INR) at the exchange rate of INR 62.495 to 1.00 USD for both 2015 and 2014.

Catrakilis Kraitzick Hrabova, LLC.
Atlanta, Georgia
April 20, 2015

Supplemental Balance Sheets

		March 31,			
		2015		2014	
ASSETS:	Note	**USD**	**INR**	USD	INR
Current assets:					
Cash		**1,218,670**	**76,160,782**	-	-
Accounts receivable	4	**781,250**	**48,824,219**	-	-
Deferred tax asset	6	**383,058**	**23,939,210**	-	-
Subscription receivable	3	**-**	**-**	100,000	6,249,500
Total current assets		**2,382,978**	**148,924,211**	100,000	6,249,500
Property and equipment, net	5	**915,813**	**57,233,733**	-	-
Total Assets		**3,298,791**	**206,157,944**	100,000	6,249,500
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT):					
Liabilities:					
Current liabilities:					
Accrued expenses		**1,500**	**93,743**	-	-
Due to parent company	7	**2,377,423**	**148,577,050**	-	-
Due to affiliated company	7	**1,564,163**	**97,752,367**	-	-
Total current liabilities		**3,943,086**	**246,423,160**	-	-
Stockholder's equity (deficit)					
Common stock - no par value, 10,000 shares authorized;					
100 shares issued and outstanding	8	**100,000**	**6,249,500**	100,000	6,249,500
Accumulated deficit		**(744,295)**	**(46,514,716)**	-	-
Total stockholder's equity (deficit)		**(644,295)**	**(40,265,216)**	100,000	6,249,500
Total Liabilities and Stockholder's Equity (Deficit)		**3,298,791**	**206,157,944**	100,000	6,249,500

See notes to supplemental financial statements

SUPPLEMENTAL STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT

	Schedule	Year Ended March 31 2015 USD	Year Ended March 31 2015 INR
REVENUE	I	**1,906,250**	**119,131,094**
OPERATING EXPENSES:			
General and administrative	II	**2,870,254**	**179,376,524**
Depreciation	Note 5	**163,349**	**10,208,496**
Total operating expenses		**3,033,603**	**189,585,020**
Loss before income tax benefit		**(1,127,353)**	**(70,453,926)**
INCOME TAX BENEFIT	Note 6	**383,058**	**23,939,210**
NET LOSS		**(744,295)**	**(46,514,716)**
Accumulated deficit, beginning of period		**-**	**-**
Accumulated deficit, end of period		**(744,295)**	**(46,514,716)**

See notes to supplemental financial statements

SUPPLEMENTAL STATEMENTS OF CASH FLOW

	Year Ended March 31, 2015	
	USD	**INR**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	**(744,295)**	**(46,514,716)**
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	**163,349**	**10,208,496**
Deferred income tax expense	**(383,058)**	**(23,939,210)**
Changes in operating assets and liabilities		
Accounts receivable, net	**(681,250)**	**(42,574,719)**
Accrued expenses	**1,500**	**93,743**
Due to parent company	**2,377,423**	**148,577,050**
Due to affiliated company	**1,564,163**	**97,752,367**
Net cash provided by operating activities	**2,297,832**	**143,603,011**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	**(1,079,162)**	**(67,442,229)**
Net cash used in investing activities	**(1,079,162)**	**(67,442,229)**
Cash, beginning of period	**-**	**-**
Cash, end of period	**1,218,670**	**76,160,782**

See notes to supplemental financial statements

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2015 AND 2014

1. NATURE OF OPERATIONS

Tech Mahindra IPR Inc. (the "Company" or "TM IPR"), is a wholly owned subsidiary of Tech Mahindra Limited ("TechM"). The Company was incorporated in the state of Delaware on December 19, 2013 and is engaged in the business of developing software to provide "cloud" based policy administration and billing services to insurance companies.

The Company was originally incorporated as a wholly owned subsidiary of Tech Mahindra (Americas), Inc. ("TMA"). On June 25, 2014, the entire issued and outstanding share capital of TM IPR was transferred to TechM. Thus, TechM is now the sole stockholder of TM IPR.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Company has adopted the Financial Accounting Standards Board (FASB) Codification (Codification or ASC). The Codification is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by non-governmental entities. All of the Codification's content carries the same level of authority.

B USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

C. CASH AND CASH EQUIVALENTS

The Company considers all investments with an original maturity of three months or less to be cash equivalent.

D. ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of amounts due from customers for services provided by TM IPR. Management's estimates of uncollectible accounts is based upon an analysis of past due accounts. Accounts are written off when all methods of collection have been exhausted.

E. PROPERTY AND EQUIPMENT

Property and equipment at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets which range from 3 to 7 years.

Expenditures for maintenance and repairs are charged to income as incurred. Additions and betterments are capitalized. The cost of properties sold or otherwise disposed of, and the accumulated depreciated thereon, is eliminated from the property and reserve accounts, and gains and losses are reflected in the statement of income.

F. REVENUE RECOGNITION

The Company derives revenue from commercialization of the software in the marketplace. Revenue is recognized on a maintenance basis, provided that no uncertainties regarding customer acceptance exist and collection of the related receivable is probable.

Unearned revenue comprises of revenue recognized in relation to maintenance provided that has not been billed as of the period end where services are performed in accordance with agreed terms.

G. INCOME TAXES

TM IPR accounts for income taxes using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2015 AND 2014

ASC 740 the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records a valuation allowances for any net deferred tax assets when it is more likely than not that a portion of such net deferred tax assets will not be recovered.

In accordance with FASB ASC 740-10-20, the Company follows the recognition requirements for uncertain tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken on expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates.

3. SUBSCRIPTION RECEIVABLE

In the period ended March 31, 2014, the Company raised a subscription receivable from its sole stockholder, TMA, in the amount of $100,000. TMA subsequently settled the subscription receivable in full in the quarter ended June 30, 2014.

4. ACCOUNTS RECEIVABLE, NET

On December 30, 2013, the Company signed an Asset Transfer Agreement (the "Agreement") with a customer to provide technical modifications and improvements to certain insurance policy administration software (the "OCNS System") which was being developed by the customer. Per the terms of the Agreement, the customer agreed to pay the Company six annual maintenance payments of $1,525,000 starting on January 31, 2014 until January 31, 2019. In addition, the customer will pay the Company five equal annual payments of $ 530,000 with the first payment due within 30 days of the customer's acceptance of the final OCNS System. In return, the customer will be granted immediate right and non exclusive license to use the OCNS System and any future upgrades thereon on a Software as a service (SaaS) basis. The customer will also participate in revenue sharing from licensing fees generate on the OCNS System by the Company.

Accounts receivable are as follows at March 31, 2015:	March 31, 2015	
	USD	**INR**
Maintenance fees receivable	**1,906,250**	**119,131,094**
Less: amount received from customer	**(1,125,000)**	**(70,306,875)**
Accounts receivable, net	**781,250**	**48,824,219**

5. PROPERTY AND EQUIPMENT, NET

Property and equipment are summarized as follows at March 31, 2015:

	March 31, 2015	
	USD	**INR**
Computers and software	**1,079,161**	**67,442,167**
Less: accumulated depreciation	**(163,348)**	**(10,208,433)**
Property and equipment, net	**915,813**	**57,233,734**

Depreciation expense for the twelve months March 31, 2015 was $163 348 (INR 10,208,496) and $ 0 (INR 0), respectively.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2015 AND 2014

6. INCOME TAXES

The Company accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes, as discussed in Note 2G above

	Year Ended March 31, 2015	
	USD	**INR**
Deferred income tax benefit consist of the following:		
Federal	**(383,058)**	**(23,939,210)**
State	**-**	**-**
Total deferred income tax benefit	**(383,058)**	**(23,939,210)**

Deferred tax asset consists of the following:	March 31,2015	
	USD	**INR**
Federal	**383,058**	**23,939,210**
State	**-**	**-**
Total deferred tax asset	**383,058**	**23,939,210**

As of March 31, 2015, the Company had approximately $1,200,000 (INR 74,994,000) of estimated federal net operating losses (NOLs) available to be carried forward. The Company expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset.

In the ordinary course of business, there are many intercompany transactions that affect the calculation and estimation of the Company's tax liability. Although the Company's management believes that their tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's income tax provisions and accruals.

7. RELATED PARTY TRANSACTIONS

During the periods ended March 31, 2015, TechM (parent company) and TMA (an affiliate) provide personnel, facilities and operating advances to the Company for its normal operations. The Company is billed for actual expenses incurred. Transactions with parent and affiliated companies are summarized below.

Transactions with parent company:

	Year Ended March 31, 2015	
	USD	**INR**
Beginning balance, due to parent company	**-**	**-**
Cost of services received	**-**	**-**
Reimbursable expenses	**2,377,423**	**148,577,050**
Ending balance, due to parent company	**2,377,423**	**148,577,050**
<u>Due to (from) parent company consists of:</u>		
Amounts due to parent company	**2,377,423**	**148,577,050**
Amounts due from parent company	**-**	**-**
	2,377,423	**148,577,051**

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2015 AND 2014

	Year Ended March 31, 2015	
	USD	**INR**
Transactions with affiliated company:		
Beginning balance, due to TMA		
Cost of services received	**485,002**	**30,310,200**
Reimbursable expenses	**1,079,161**	**67,442,167**
Ending balance, due to TMA	**1,564,163**	**97,752,367**
Due to (from) affiliated company consists of:		
Amounts due to TMA	**1,564,163**	**97,752,367**
Amounts due from TMA	**-**	**-**
	1,564,163	**97,752,367**

8. COMMON STOCK

On December 20, 2013, the Company issued 100 outstanding and non-assessable shares to TMA. Total authorized share capital is 10,000 shares with no par value of common stock. On June 25, 2014, the entire issued and outstanding share capital was transferred to Tech Mahindra Limited.

9. CONCENTRATION OF CREDIT RISK

The Company places its cash and cash equivalents on deposit with financial institution in the United States of America. The Federal Deposit Insurance Corporation covers $ 250,000 for substantially all depository accounts. As of March 31, 2015, the Company had $ 968,670 (INR 60,537,032) with the financial institution that exceed the Federally insured limit.

As of March 31, 2015, the balance of one customer accounted for 100% of the total accounts receivable.

10. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 20, 2015, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to April 20, 2015, that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES (USD & INR)

	Year Ended March 31,	
	2015	
	USD	INR
Schedule I		
REVENUE		
Revenue from third parties	1,906,250	119,131,094
	1,906,250	119,131,094
Schedule II		
GENERAL AND ADMINISTRATIVE		
Contracted services	2,862,424	178,887,188
Professional services	6,589	411,780
Taxes and licenses	711	44,434
Miscellaneous expenses	530	33,122
	2,870,254	179,376,524

See notes to financial statements

Tech Mahindra GmbH

Supervisory Board

Mr. Vineet Nayyar - Chairman

Mr. Ulhas N. Yargop

Managing Directors

Mr. Vikram Nair

Mr. Abhijeet Anant Awekar

Registered Office

Hansastern ‘C’, 1st Floor

Fritz-Vomfelde Strasse 8

40547 Dusseldorf

Germany

Bankers

HSBC Bank

Auditors

Deloitte and Touche

MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2014/2015

Business Activities

TECH MAHINDRA GmbH is a wholly-owned German subsidiary of TECH MAHINDRA Limited, Pune/ India ("TM Ltd."), and was established in 2001. The Company's business activities focus on providing consulting technology and rendering outsourcing services in the communications sector.

In general, we render our services to our parent company under a service provider agreement. This form of transactions implies that the contracts are concluded between our parent company and the customer. We thereby act as sub-contractor of our parent company and thus do not bear any risks. The compensation for our services rendered is based on the reimbursement of cost incurred plus a mark-up. In contrast to previous years, we have concluded a large number of contracts directly with the customers since the beginning of the financial year 2015. However, also in these instances our parent company bears the risks.

We signed a similar service agreement with an affiliated company, which provides for the sub-contracting of activities against reimbursement of the costs incurred plus a mark-up.

Economic and Industry-related Development

The financial years 2010/2011, 2012/2013 and 2014/2015 were characterised by the global economic crisis, although the economy considerably recovered in 2014. Outsourcing services for the telecommunication industry, however, had been less affected than the overall economy. On the one hand, this is due to the concluded framework agreements. On the other hand, it is due to the higher cost pressure on the telecommunication providers, as this pressure forces the providers into outsourcing more services. As a result of the higher pricing pressure in our business-related market, we suffered from an increasing competitive pressure.

Major Transactions in the Financial Year 2014/2015

Transactions during the financial year 2014/2015 were as follows:

- **Acquisition of BASF Business Services Holding GmbH**

  Effective as of 1 August 2014, the Company acquired all shares in BASF Business Services Holding GmbH ("BBS GmbH"), Hamburg/Germany. The purchase price was kEUR 6,920. The name of the company BBS GmbH was subsequently changed into TECH MAHINDRA Business Services GmbH, Hamburg/Germany ("TMBS GmbH").

  In addition, the customer base of BBS GmbH, which was previously held by the seller, was also acquired at a purchase price of kEUR 911.

  Since the date of acquisition, the acquired company has acted as a sub-contractor, which renders services in the name and on behalf of TECH MAHINDRA GmbH. As a result, the Company's business volume considerably increased. The Company took over the employees of TMBS GmbH.

- **Contribution of the business of the German branch office of TM Ltd. into the Company**

  Effective as of 1 February 2015, the business of TM Ltd.'s branch office, located in Wiesbaden/Germany, was transferred to the Company as part of the fulfilment of a contribution commitment resulting from the resolution to increase the share capital by kEUR 1,000.00. The share capital was increased by way of a cash contribution. The net assets received from TM Ltd.'s branch office totalled kEUR 10,371 and was reported as additional contribution within the capital reserves (Sec. 272 (2) No. 1 German Commercial Code (HGB)). The Company received the following assets and assumed the following liabilities:

Assets	**kEUR**
- Operating and office equipment	39
- Trade receivables	11,901
Equity and Liabilities	
- Other provisions	1,284
- Trade payables	285
Total	10,371

  Due to the acquisition of the equity investment and the contribution of the branch office into the Company, the annual financial statements as at 31 March 2015 are only comparable to a limited extent with the prior-year financial statements.

Development of Revenue

As compensation is based on reimbursement of costs incurred plus a mark-up ("cost-plus method") as part of a service provider agreement, the general economic and industry-related developments have only a limited effect on the business development of our Company.

The revenue generated under the service agreement increased from kEUR 12,926 to kEUR 44,201. The revenue related to direct business, where contracts are directly signed with customers, increased by kEUR 5,007 to kEUR 6,576 primarily due to the integration of TMBS GmbH's business.

Employees

Following the takeover of employees of TMBS GmbH, the average number of employees increased from 139 to 285. As at 31 March 2015, the Company counts 380 employees.

The nature of our business demands the employment of highly skilled personnel who participate in high-tech and telecommunication projects. This requires us to provide personnel from our Indian-based TECH MAHINDRA development centres. In addition, we employ skilled employees as well as contractors on site. Our employees work at customer premises across Germany like Bonn, Munich, and Hamburg. Most of our employees have a graduate degree and some even have a post-graduate degree.

Business Development

- **Results of Operations**

  Under the service agreement concluded with the parent company, TECH MAHINDRA GmbH is reimbursed for the cost incurred and receives a mark-up of 6%, so that TECH MAHINDRA GmbH always benefits from cash inflows and realises revenue that more than compensate the costs.

The Company realised a net income for the financial year of kEUR 1,596 compared with kEUR 734 in the prior year. This accounts for 3.1% (prior year: 5.1%) of revenue.

The increase of kEUR 8,238 in personnel expenses to kEUR 15,275 is mainly a result of the considerable growth of the number of employees.

Other operating expenses increased from kEUR 1,370 to kEUR 3,155 mainly due to higher legal and consultancy fees (up kEUR 461), travel and car-related expenses (up kEUR 355) as well as rent and office services (up kEUR 237).

- **Net Asset Position**

Following the significant increase in total assets from kEUR 9,185 to kEUR 47,269, the equity ratio declined from 63.1% to 37.6%.

Apart from the shares to affiliated companies, all of which relate to the shares in TMBS GmbH (kEUR 6,920) acquired in the financial year and to the shares in TechM IT-Services GmbH, Vienna/Austria (kEUR 5), the balance sheet's assets are dominated by trade receivables and receivables from affiliated companies, which, in the aggregate, considerably increased by kEUR 33.041 to kEUR 36,045.

The increase in trade receivables of kEUR 13,743 is mainly due to the assumed and continued business of TM Ltd.'s branch office and the general expansion of direct business with customers. The increase in receivables from affiliated companies results from later payment dates of TM Ltd. and general expansion of business activities.

The liquid funds declined by kEUR 3,630 compared with the prior year and total kEUR 2,123. The reasons for the reduction are described in detail within the Chapter "Financial Situation".

As regards the equity and liabilities of the balance sheet, the increase largely results from higher other provisions (up kEUR 5,749) and considerably higher liabilities to affiliated companies (up kEUR 20,329) in addition to the increase in capital reserves (up kEUR 10,371) as discussed above.

Other provisions primarily increased due to higher provisions for sub-contractors following the expansion of sub-contracting and higher personnel-related obligations.

The liabilities to affiliated companies mainly increased due to later payment dates and increase in services purchased by TM Ltd. and TMBS GmbH following business expansion.

- **Financial Situation**

The Company is currently completely self-financed. As at the balance sheet date, there are no liabilities to banks nor are there any bank credit lines. The service agreement ensures permanent cash flows for financing the current business activities.

As at 31 March 2015, the Company's cash and bank accounts total kEUR 2,123 (prior year: kEUR 5,753). The reduction of kEUR 3,630 in cash and cash equivalents primarily results from the acquisition of TMBS (kEUR 6,920). The cash flow from operating activities totals kEUR 4,194 (prior year: kEUR 4,576).

The Company's key financial ratios are as follows:

	2014/2015	Prior year
EBITDA/revenue (ratio)	**4.5%**	5.0%

Risk Management

The Company has a financial reporting system in place that is integrated with the TECH MAHINDRA group reporting structures. This system assists the Company in permanently monitoring and controlling the business development by preparing comparable expected and actual budgets.

On account of the above-described service agreement, the Company benefits from permanent cash inflows and realises revenue which surpasses costs. Owing to the agreements, the Company is not aware of any material business risks.

Post-balance-sheet-Date Events

There have been no events after the balance sheet date, which would have affected the annual financial statements as at 31 March 2015.

Outlook, Risks and Opportunities of the Future Development

In the light of the current order backlog and business situation, we expect that revenue and net income will increase for the financial year 2015/2016 and the following years. The business will mainly comprise follow-up business and takeovers. We also plan to expand our services and develop new markets to generate business growth. We thus expect the financial ratio EBITDA/revenue to increase to 5.0%.

Since the Company plans to expand business activities into new business fields and market segments, it is confident about the outlook for the financial year 2015/2016. The EBITDA/revenue ratio will probably not change based on the Company's business model (cost-plus method). However, we expect higher profits due to increased business volume and growing revenue in future years.

We assume gradual growth in future since the companies are under cost pressure. We expect that the demand for outsourcing and offshoring services as well as managed services will increase. The launch of new technologies is accompanied by deficient technical skills, which TECH MAHINDRA, however, is able to provide.

Some of the risks we are exposed to arise from the development of offshore services, tougher competition and lower margins. We focus on addressing these risks by engaging in increasing marketing activities, by creating distinct quality guarantees to existing customers, by expanding business beyond ordinary activities (such as OSS, VAS and networks) and by entering new markets.

Due to our service agreements, which form the basis of our business activities, merger and acquisitions, we expect a net income for 2015/2016 and 2016/2017 similar to that of the reporting period.

Düsseldorf/Germany, 18 May 2015

Vikram Nair	**Abhijeet Anant Awekar**
Managing Director	Managing Director

INDEPENDENT AUDITORS' REPORT

We have audited the annual financial statements - comprising the balance sheet, the income statement and the notes to the financial statements - together with the bookkeeping system, and the management report of TECH MAHINDRA GmbH, Düsseldorf/Germany, for the financial year from 1 April 2014 to 31 March 2015. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and on the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB ("German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements of TECH MAHINDRA GmbH, Düsseldorf/Germany, comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Düsseldorf/Germany, 19 May 2015

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Signed: **Herrel**	Signed: **Liesbrock**
Wirtschaftsprüfer	**Wirtschaftsprüfer**
[German Public Auditor]	[German Public Auditor]

BALANCE SHEET AS AT 31 MARCH 2015

		31 Mar. 2015 EUR	31 Mar. 2014 kEUR
Assets			
A.	**Fixed assets**		
I.	**Intangible fixed assets**		
	Software acquired for a consideration	**1.00**	0
	Customer base	**789,115.00**	0
		789,116.00	0.00
II.	**Tangible fixed assets**		
	Other equipment, operating and office equipment	**136,204.24**	102
III.	**Long-term financial assets**		
	Shares in affiliated companies	**6,925,259.95**	0
		7,850,580.19	102
B.	**Current assets**		
I.	**Receivables and other assets**		
1.	Trade receivables	**14,677,810.61**	935
2.	Receivables from affiliated companies	**21,367,068.98**	2,070
3.	Other assets	**1,225,859.51**	296
		37,270,739.10	3,301
II.	**Cash-in-hand, bank balances**	**2,122,844.15**	5,753
		39,393,583.25	9,054
C.	**Prepaid expenses**	**25,013.81**	29
		47,269,177.25	9,185

		31 Mar. 2015 EUR	31 Mar. 2014 kEUR
Equity and Liabilities			
A.	**Equity**		
I.	**Subscribed capital**	**601,000.00**	575
II.	**Capital reserves**	**16,995,554.04**	6,625
III.	**Accumulated losses brought forward**	**-1,406,093.97**	2,140
IV.	**Net income for the financial year**	**1,595,895.22**	734
		17,786,355.29	5,794
B.	**Provisions**		
	Provisions for taxes	**87,044.00**	0
	Other provisions	**7,059,431.69**	1,310
		7,146,475.69	1,310
C.	**Liabilities**		
1.	Trade payables	**457,142.92**	1,057
2.	Liabilities to affiliated companies	**21,067,944.32**	739
3.	Other liabilities	**811,259.03**	285
	Of which taxes:		
	EUR 470,617.22 (prior year: EUR 169 thousand)		
	of which relating to social security:		
	EUR 0.00 (prior year: kEUR 12)		
		22,336,346.27	2,081
		47,269,177.25	9,185

INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL 2014 TO 31 MARCH 2015

		2014/2015 EUR	Prior year kEUR
1.	Revenue	**50,777,097.85**	14,495
2.	Other operating income	**8,485.37**	3
3.	Cost of purchased services	**30,534,376.33**	4,941
4.	Personnel expenses		
	a) Salaries	**13,706,906.41**	6,079
	b) Social security, post-employment and other employee benefits	**1,568,224.56**	958
	Of which post-employment benefits: EUR 43,300.00 (prior year: kEUR 42)		
5.	Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets	**138,746.88**	2
6.	Other operating expenses	**3,155,225.15**	1,785
7.	Other interest and similar income	**835.33**	1
8.	Result from ordinary activities	**1,682,939.22**	734
9.	Taxes on income	**87,044.00**	0
10.	Net income for the financial year	**1,595,895.22**	734

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2014/2015

A. General Information

The annual financial statements as at 31 March 2015 have been prepared according to the regulations under the German Commercial Code (HGB) and the German Law on Limited Liability Companies (GmbHG).

The Company occasionally made use of the legal exemptions concerning the preparation of financial statements.

The Company is a medium-sized firm organised in a corporate form as defined under Sec. 267 (2) German Commercial Code (HGB).

B. Accounting and Valuation Rules

Intangible fixed assets have been recognised at acquisition cost less straight-line amortisation.

The customer base is measured at acquisition cost and amortised over a useful life of five years.

Tangible fixed assets are measured at acquisition cost and amortised according to the straight-line method over the estimated useful life. Operating and office equipment is depreciated over a useful life of three to ten years.

Low-value items with acquisition cost of up to EUR 410.00 are expensed as incurred. Assets with acquisition cost of more than EUR 410.00 are depreciated over their individual useful lives.

Long-term financial assets are carried at acquisition cost.

Receivables and other assets as well as liquid funds are valued at their nominal values. Specific allowances cover all risks identifiable as at the balance sheet date.

The provisions are measured according to sound business judgement and cover the estimated settlement amounts.

The liabilities have been recognised at the amounts at which they will be repaid.

The Company does not take advantage of the option to account for the excess of deferred tax assets (§ 274 (1) Sentence 2 German Commercial Code (HGB)) due to a resulting future tax relief.

C. Notes to the Balance Sheet

Long-term financial assets

The Company holds all shares in Tech Mahindra Business Services GmbH, Hamburg/Germany. In connection with the sale of the business shares, the investment company included a stub period from 1 January to 31 July 2014. The equity of this company amounts to kEUR 4,148 as at 31 July 2014. The net income for the period from 1 January to 31 July 2014 (prior to profit transfer to the former shareholder) totalled kEUR 164.

The Company additionally holds all shares in Tech M IT-Services GmbH, Vienna/Austria. The equity of this company amounts to kEUR 14 as at 31 March 2015. The company's net income for the year 2014/2015 totalled kEUR 9.

Receivables and other assets

As in the prior year, all receivables and other assets are due within one year.

As in the prior year, the receivables from affiliated companies result from services and supplies.

Receivables of kEUR 20,557 (prior year: kEUR 1,886) are due from the shareholder.

Subscribed capital

The Company's subscribed capital amounts to kEUR 601 (prior year: kEUR 575).

The shareholders' meeting held on 24 October 2014 resolved that the share capital be increased by kEUR 25 to kEUR 600.

On 15 January 2015, another cash increase of kEUR 1 in the share capital was resolved.

The Management has been authorised to increase the Company's share capital by EUR 300,000.00 at maximum at one or several occasions by 30 September 2019 by way of issuing new business shares against cash or contribution in kind (Authorised Capital).

Capital reserves

Capital reserves amount to kEUR 16,996 (prior year: kEUR 6,625).

In connection with the resolution to increase the share capital by kEUR 1 (see above), the Company resolved that the business of the branch office of the sole shareholder be contributed as additional contribution in accordance with Sec. 271 (2) No. 1 German Commercial Code (HGB). Following the contribution, the capital reserves increased by kEUR 10,371.

Provisions

As in the prior year, other provisions basically include provisions for outstanding invoices concerning rendered sub-contractor services and for personnel-related obligations.

Liabilities

As in the prior year, all liabilities have to be repaid within one year.

As in the prior year, all liabilities to affiliated companies result from services and supplies and in the amount of kEUR 13,829 (prior year: kEUR 737) relate to liabilities to the shareholder.

D. Notes to the Income Statement

Revenue

The revenue is composed of reimbursements of kEUR 44,201 (prior year: kEUR 12,926) (including mark-up) from affiliated companies and revenue generated with third parties (kEUR 6,576; prior year: kEUR 5,007). All of the revenue was generated in Germany.

Other operating expenses

The other operating expenses can be analysed as follows:

	2014-2015 kEUR	Prior year kEUR
Legal and consultancy fees	**1,333**	872
Travel expenses, car-related costs, entertainment	**878**	523
Phone, facsimile	**193**	78
Rent, office services	**466**	229
Other	**285**	83
	3,155	1,785

As in the prior year, the item does not include substantial expenses incurred in previous periods.

E. Other Disclosures

Members of Management

The management activities are performed by:

Mr Vikram Nair, Great Britain, Managing Director Operations

Mr Abhijeet Anant Awekar, Great Britain, Managing Director Finance

The managing directors did not receive any emoluments from the Company.

Supervisory Board

The Company has appointed a Supervisory Board, which counts the following two members:

Ulhas Yargop, Mumbai/India, Member of the Board of Directors (Managing Director) of Tech Mahindra Ltd.;

Vineet Nayyar, New Delhi/India, Chairman, Vice Chairman and Managing Director of Tech Mahindra Ltd.

The members of the Supervisory Board did not receive any emoluments for their work from the Company.

Employees

The average number of employees in the financial year amounted to 285 (prior year: 139). All employees were salaried employees.

Other financial commitments

Other financial commitments result from tenancy agreements, which total kEUR 1,101.

Group affiliation

TECH MAHINDRA Limited, Pune/India, is the sole shareholder of TECH MAHINDRA GmbH.

The Company's annual financial statements are included in the consolidated financial statements of TECH MAHINDRA Limited, Mumbai/India, which prepares the consolidated financial statements for the largest and smallest group of consolidated entities. The consolidated financial statements are available online at www.techmahindra.com.

The Company also prepares consolidated financial statements, which include its subsidiaries by way of consolidation. The consolidated financial statements are prepared for the first time for the financial year 2014/2015.

Düsseldorf/Germany, 18 May 2015

Vikram Nair	**Abhijeet Anant Awekar**
Managing Director	Managing Director

Annexure to the Notes

MOVEMENTS IN FIXED ASSETS IN THE FINANCIAL YEAR 2014/2015

		Gross book values				Accumulated amortisation/ depreciation/write-downs				Net book values	
		1 April 2014 EUR	Additions EUR	Disposals EUR	31 March 2015 EUR	1 April 2014 EUR	Additions EUR	Disposals EUR	31 March 2015 EUR	31 March 2015 EUR	31 March 2014 kEUR
I.	**Intangible fixed assets**										
1.	Software acquired for a consideration	10,842.01	0.00	0.00	**10,842.01**	10,841.01	0.00	0.00	**10,841.01**	**1.00**	0
2.	Customer base	0.00	910,518.50	0.00	**910,518.50**	0.00	121,403.50	0.00	**121,403.50**	**789,115.00**	0
		10,842.01	910,518.50	0.00	**921,360.51**	10,841.01	121,403.50	0.00	**132,244.51**	**789,116.00**	0
II.	**Tangible fixed assets**										
	Other equipment, operating and office equipment	126,884.97	55,970.12	5,079.25	**177,775.84**	24,397.97	17,343.38	169.75	**41,571.60**	**136,204.24**	102
III.	**Long-term financial assets**										
	Shares in affiliated companies	0.00	6,925,259.95	0.00	**6,925,259.95**	0.00	0.00	0.00	**0.00**	**6,925,259.95**	0
		137,726.98	7,891,748.57	5,079.25	**8,024,396.30**	35,238.98	138,746.88	169.75	**173,816.11**	**7,850,580.19**	102

TECH M IT SERVICES GmbH

Directors

Mr. Yashwant Prakash Pednekar (until 20 March 2015),

Mr. Manoj Cherian (since 20 March 2015)

Registered Office

C/o. Oberhammer Rechtsanwalt GmbH

Karlsplatz 3/1 1010 Vienna

Bankers

Erste Bank der Oesterreichischen Sparkassen AG

Auditors

Deloitte Audit Wirtschaftsprüfungs GmbH

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AS OF 31 MARCH 2015

of TechM IT-Services GmbH, Vienna

For the attention of the Director of
TechM IT-Services GmbH, Vienna

We have completed our audit of the financial statements for the financial year ended 31 March 2015 of TechM IT-Services GmbH, Vienna (hereinafter referred to as the "Company") and report on the results of our audit as follows:

1. Appointment, terms and execution of our engagement

The Company is small in terms of section 221 subsection 1 of the Austrian Company Code ("UGB"). A statutory requirement to engage a supervisory board does not exist. Hence there is no statutory requirement to have the statutory financial statements of the Company audited. Nevertheless, the Company, represented by its director, instructed us based on the terms of the engagement agreed upon in the audit contract to audit the financial statements for the financial year ended 31 March 2015 and the books of account in accordance with the provisions of the Austrian Company Code governing the audit of statutory financial statements (sections 269 et sqq. UGB).

This audit extends on examining whether the financial statements and the books of account comply with statutory requirements.

We performed the audit in accordance with the provisions of the Austrian Company Code governing the audit of statutory financial statements (sections 269 et sqq. UGB) and in accordance with professional standards. An audit shall provide reasonable assurance whether the financial statements are free from material misstatement. Due to the limitations of any accounting and internal control system with regard to the prevention and detection of errors and due to the fact that an audit is performed on a test basis an audit does not provide absolute assurance and there is some residual risk that even material misstatements of financial statements remain undetected. An audit of financial statements does not extend to issues, which are not within the scope of a statutory financial statements audit, but are normally addressed by special investigations.

We performed the audit in March and April 2015. It was completed in all essential respect on the date of this report.

Leopold Fischl, Certified Public Accountant in Austria, is the partner in charge of this audit engagement.

The terms of our engagement are stipulated in the contract we entered into with the Company. The "General Conditions of Contract for the Public Accounting Professions" issued by the Chamber of Public Accountants and Tax Advisors on March 8, 2000 as amended on February 21, 2011 (the "General Conditions") form part of this contract. These General Conditions shall govern not only our relationship to the Company, but also any relations to third parties arising from this engagement. Hence we are not liable for slight negligence in performing this engagement. With regard to gross negligence we agreed upon limitation of our liability to EUR 2.000.000 by reference to section 275 UGB, which is different from the limitation provided in the General Conditions.

2. Explanations and details to the financial statements

The line items of the balance sheet and of the profit and loss account are sufficiently detailed and explained in the notes to the financial statements. Hence we were permitted to refrain from providing details and explanations in our report.

3. Summary and conclusions

3.1. Conclusions on whether the Books of Account and the Financial Statements comply with statutory requirements

The audit of the books of account and of the financial statements performed by us supports our opinion that applicable statutory requirements and the generally accepted accounting principles were observed.

In accordance with our risk and control based audit approach we tested internal controls over financial reporting as far as deemed necessary for us to be able to form an opinion on the financial statements.

3.2. Explanations and representations provided by the director

The director of the Company provided all the explanations, any evidence and representations requested by us. The director represented in writing that all assets, provisions, liabilities, deferrals, revenue, expenses, gains and losses were recognised in the financial statements unless there are legal provisions to the contrary and that these were properly measured and that the disclosures in the financial statements are complete and correct.

3.3. Statements pursuant to section 273 (2) and (3) UGB

During the course of our audit we did not note any matters that may endanger the ability of the Company to continue as a going concern or adversely affect its further development or may indicate that directors or employees of the Company seriously violated either Austrian Law or the Articles of Association of the Company or that the Company may need to be reorganised pursuant to section 22 (1) fig. 1 of the Austrian Company Reorganisation Act. We did not get aware of any material weaknesses in internal control over financial reporting.

4. Auditor's Report

Report on the Financial Statements

We have audited the books of account and the accompanying financial statements of TechM IT-Services GmbH, Vienna, for the financial year from 8 August 2014 through 31 March 2015. These financial statements comprise the balance sheet as of 31 March 2015 (Appendix 1), the profit and loss account for the financial year then ended (Appendix 2) and the notes to this balance sheet and this profit and loss account (Appendix 3). This audit was not required by statute nevertheless it was performed as contractually agreed upon in accordance with the provisions of the Austrian Company Code governing the audit of statutory financial statements.

The performance of this audit including our responsibility also in relation to any third parties, who may rely on our audit, is governed - as agreed in the contract we entered into with the Company - by the General Conditions of Contract for the Public Accounting Professions issued by the Chamber of Public Accountants and Tax Advisors on 8 March 2000 as amended on 21 February 2011, which are attached to this report. Accordingly we are not liable for slight negligence. Our liability for gross negligence is limited to EUR 2.000.000 pursuant to the contract entered into with the Company.

Management's Responsibility for the Financial Statements and for the Books of Account

The Company's management is responsible for maintaining the books of account and for the preparation and fair presentation of the financial statements in accordance with Austrian statutory provisions. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of the Type and Scope of the Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the provisions of the Austrian Company Code applicable to audits of statutory financial statements (section 269 et sqq. UGB) and in accordance with Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with statutory requirements and give a true and fair view of the financial position of TechM IT-Services GmbH as of 31 March 2015 and of its financial performance for the financial year from 8 August 2014 through 31 March 2015 in accordance with Austrian Generally Accepted Accounting Principles.

Vienna, 22 April 2015

Deloitte Audit Wirtschaftsprüfungs GmbH

Dr. Leopold Fischl m.p.	**pp. Mag. Martin Rosner m.p.**
Certified Public Accountant	Certified Public Accountant

BALANCE SHEET AS OF 31 MARCH 2015

	31 Mar. 2015 EUR
Assets	
A. Current Assets	
I. Debtors	
Other debtors	**6,903.94**
II. Cash at bank	**48,835.23**
	55,739.17
B. Deferred Expenses	
Deferred tax asset	**576.00**
	576.00
	56,315.17

	31 Mar. 2015 EUR
Liabilities and Capital and Reserves	
A. Capital and Reserves	
I. Nominal capital	
1. Subscribed capital	**10,000.00**
2. thereof not yet called-up	**-5,000.00**
II. Profit available for dividend thereof brought forward EUR 0,00	**9,071.56**
	14,071.56
B. Provisions for liabilities and charges	
1. Provisions for taxation	**3,600.00**
2. Other provisions	**31,704.00**
	35,304.00
C. Creditors	
1. Trade creditors	**298.19**
2. Amounts owed to affiliated undertakings	**6,641.42**
	6,939.61
	56,315.17

PROFIT AND LOSS ACCOUNT
for the financial year from 8 August 2014 to 31 March 2015

	8 Aug 2014 - 31 Mar 2015 EUR
1. Revenue from services	**2,13,688.21**
2. Expenses for employee benefits	
a) Salaries	**-1,36,393.19**
b) Contributions to employee severance funds	**-1,442.40**
c) Expenses for statutory social security contributions and other salary related taxes and contributions	**-40,533.27**
	-1,78,368.86
3. Other operating charges	**-23,223.79**
4. Profit on ordinary activities	**12,095.56**
5. Corporate income tax expense	**-3,024.00**
6. Profit for the financial year	**9,071.56**
7. Profit brought forward from previous year	**0.00**
8. Profit available for dividend	**9,071.56**

Appendix 3

FINANCIAL STATEMENTS AS OF 31 MARCH 2015

NOTES

The Company was set up by declaration on the foundation of the Company dated 18 July 2014 and was registered in the Companies Register on 8 August 2014. Financial year-end is 31 March. Hence the profit and loss account relates to the period from 8 August 2014, the date of registration of the Company, through 31 March 2015.

General Accounting Policies

The financial statements were prepared in compliance with accounting principles generally accepted in Austria considering the general requirement that these have to present a true and fair view of the financial position and the financial performance of the Company.

The principle of completeness was observed in preparing these financial statements.

The principle of individual measurement was observed in measuring the assets and liabilities. Measurement was based on the assumption that the Company is able to continue as a going concern.

The prudence concept is respected by recognizing gains only if and to the extent that they have been realized by the balance sheet date. Known risks and impending losses are provided for.

Presentation

The financial statements are presented in accordance with the requirements of the Company Code.

Current assets

Debtors

Debtors are carried at their nominal value.

In case of credit risks only the amount deemed to be collectible is recognized.

The residual terms of all debtors are all less than one year.

Provisions for liabilities and charges

Provisions are set up for all risks identifiable as of the balance sheet date and for all liabilities uncertain as to timing and amount. The amounts reasonably expected to be payable were provided for.

Creditors

Liabilities are carried at the amounts payable upon settlement in line with the prudence concept.

Amounts owed to affiliated undertaking result from financing activities.

The residual terms of all creditors are all less than one year.

Consolidated financial statements

Tech Mahindra Limited, Mumbai, India, the ultimate parent company, prepares the consolidated financial statements of the Group including the Company. These consolidated financial statements may be obtained from Tech Mahindra Limited at its registered office.

Disclosures in respect of the directors

In the financial year 2014/15 the following were appointed as directors of the Company:

Mr. Yashwant Prakash Pednekar (until 20 March 2015),
Mr. Manoj Cherian (since 20 March 2015)

Number of employees

The Company employed 3.25 salaried employees on average in the financial year under report.

TECH MAHINDRA BUSINESS SERVICES GmbH

Managing Directors

Mr. Vikram Nair

Mr. Abhijeet Anant Awekar

Registered Office

Geschäftsanschrift:

Christoph-Probst-Weg 3,

20251 Hamburg

Bankers

Deutsche Bank

Auditors

Deloitte and Touche

ATTESTATION REPORT ON LIMITED REVIEW

To Tech Mahindra Business Services GmbH, Hamburg/Germany

We have performed a limited review of the interim financial statements - comprising the interim balance sheet and the interim income statement - of Tech Mahindra Business Services GmbH, Hamburg/Germany, for the interim period from 1 August 2014 to 31 March 2015. The preparation of the interim financial statements in accordance with German commercial law is the responsibility of the Company's management. Our responsibility is to give an attestation report on the interim financial statements based on our limited review.

We conducted our limited review of the interim financial statements in accordance with the German standards for the limited review of financial statements promulgated by the Institut der Wirtschafts prlifer. Those standards require that we plan and perform the limited review such that, based on a critical assessment, we can rule out with some assurance that, in material respects, the interim financial statements have not been prepared in compliance with German commercial law. A limited review is primarily confined to making enquiries of the Company's employees and performing analytical assessments and therefore does not offer the assurance that can be obtained through an audit of financial statements. Since we were not engaged to perform an audit of financial statements, we can not give an auditors' opinion.

Based on our limited review, we have not become aware of any facts which lead us to assume that, in material respects, the interim financial statements of Tech Mahindra Business Services GmbH, Hamburg/Germany, have not been prepared in compliance with German commercial law."

Dusseldorf/Germany, 8 May 2015

Deloitte & Touche GmbH
Wirtschaftspriifungsgesellschaft

Herrel	**Liesbrock**
Wirtschaftspriifer	**Wirtschaftspriifer**
[German Public Auditor]	[German Public Auditor]

INTERIM BALANCE SHEET AS OF MARCH 31, 2015

	March 31, 2015 EUR	EUR	July 31, 2014 EUR
Assets			
A. Fixed Assets			
I. Intangible assets			
Software	**5,910.00**		0.00
II. Tangible assets			
Other equipment, factory and office equipment.	**110,503.00**		9.901.00
		116,413.00	9.901.00
B. Current Assets			
I. Receivable and other assets			
i. Receivables from affiliated Companies - thereof from shareholders EUR 6,038,485.97 (prior year: EUR 658,632.64)	**6,038,485.97**		658,632.64
ii. Other assets	**440,133.45**		26,107.10
		6,478,619.42	684,739.74
ii. Cash - in hand, bank accounts		**878,065.15**	4,272,981.69
		7,356,684.57	4,957,721.43
C. Prepaid expenses		**41,903.65**	13,797.84
		7,515,001.22	4,981,420.27

	March 31, 2015 EUR	EUR	July 31, 2014 EUR
A, Equity			
I. Subscribed Capital	**4,147,615.00**		4,147,615.00
II. Net income for the interim period (prior year: Net Income for the stub period)	**2,64,986.48**		0.00
		4,412,601.48	4,147,615.00
B. Accruals			
i. Pension provisions and similar obligations	**242,275.52**		88,307.00
ii. Tax provisions	**171,889.53**		6,860.70
iii. Other provisions	**1,531,556.96**		496,480.00
		1,945,722.01	591,647.70
C. Liabilities			
i. Trade payables	**134,425.35**		30,511.80
ii. Payables to affiliated companies - thereof to shareholders EUR 810,215.54 (prior year: EUR 163,506.49)	**810,215.54**		180,849.77
iii. Other liabilities	**90,003.84**		0.00
- thereof taxes: EUR 81,282.06 (prior year: EUR 0)			
- thereof social security: EUR 17.28 (prior year: EUR 0)			
		1,034,644.73	211,361.57
D. Deferred taxes			
Deferred tax liabilities		**122,033.00**	30,796.00
		7,515,001.22	4,981,420.27

INTERIM PROFIT AND LOSS ACCOUNT
for the period from August 1, 2014 to March 31, 2015

		August 1, 2014 to March 31, 2015 EUR	January 1, 2014 to July 31, 2014 EUR
1.	Revenue	**6,406,108.39**	4,218,298.04
2.	Other operating income	**165,503.11**	188,356.69
3.	Cost of material		
	a) Cost of raw material, supplies and purchased goods	**0.00**	(67,539.62)
	b) Expenses for purchased services	**(1,523,856.99)**	(116,119.30)
4.	Personnel expenses		
	a) Wages and salaries	**(3,225,105.40)**	(2,840,968.66)
	b) Social security	**(520,646.37)**	(516,605.10)
5.	Depreciation on intangible fixed assets and tangible assets	**(26,196.19)**	(2,093.00)
6.	Other operating expenses	**(746,832.23)**	(689,243.05)
7.	Other interest and similar income	**0.00**	2,690.05
	- thereof from affiliated companies EUR 0 (prior year: EUR 904.50)		
8.	Other interest and similar expenses	**0.00**	(2,817.00)
9.	Result from ordinary operations	**528,974.32**	173,959.05
10.	Income taxes	**(263,126.53)**	(10,452.56)
11.	Other taxes	**(861.31)**	0.00
12.	Net income for the interim period (prior year: Net income before profit transfer)	**264,986.48**	163,506.49
13.	Profit transferred under a profit transfer agreement	**0.00**	(163,506.49)
14.	Net income for the interim period (prior year: Net income for the stub period)	**264,986.48**	0.00

Appendix 3

INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

	March 31, 2015 EUR' 000
Net profit for the interim period	**265**
Depreciation on Intangible fixed assets and tangible assets	**26**
Cash earnings according DVFA/SG	**291**
Increase / decrease () in short-term accruals	**1,354**
Increase () / decrease in receivables and other assets	**(5,822)**
Increase / decrease () in payables and other liabilities	**915**
Cash flow from operating activities	**(3,262)**
Cash inflow from disposal of tangible assets	**0**
Cash outflow from investments	**(133)**
Cash flow from investment activities	**(133)**
Cash outflow from financing activities	**0**
Change in cash and cash equivalents	**(3,395)**
Opening balance of cash and cash equivalents	**4,273**
Closing balance of cash and cash equivalents	**878**

TECH MAHINDRA (SINGAPORE) PTE. LIMITED

Board of Directors

Mr. Rohit Gandhi

Mr. Chillara Krishnadas

Mr. Manoj Joshi

Mr. Lim Tiong Beng

Registered Office

No. 17, Changi Business Park,

Central 1 #06-01, Honeywell Building,

Singapore 486073

Bankers

HSBC Bank Ltd.

Auditors

MGI N Rajan Associates

Certified Public Accountants, Singapore

DIRECTORS' REPORT

For the financial year ended 31 March 2015

The directors present their report to the member together with the audited financial statements of the Company for the financial year ended 31 March 2015.

Directors

The directors of the Company in office at the date of this report are:-

Lim Tiong Beng

Krishnadas Chillara

Manoj Shrikrishna Joshi

Rohit Gandhi

Arrangements to enable directors to acquire share or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of Company or any other body corporate.

Directors' interest in shares or debentures

The following directors, who held office at the end of the financial year, had held shares, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act, Cap.50 are as follows:

	Number of Shares	
Name of the Director and Company in which interests are held	**At the beginning of the year**	**At the end of the year**
Mahindra & Mahindra Limited - Associate company	Ordinary shares of Indian ₹ 10 each	
Krishnadas Chillara	14,067	-

	Number of Shares	
Name of the Director and Company in which interests are held	**At the beginning of the year**	**At the end of the year**
Mahindra & Mahindra Limited - Associate company	Ordinary shares of Indian ₹ 5 each	
Krishnadas Chillara	-	13,402

Directors' receipt and entitlement to contractual benefits

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Sec 201(8) of the Singapore Companies Act, by reason of contract made by the Company or a related corporation with the director or with a firm of which is he a member, or with a Company in which he has a substantial financial interest.

Options granted

During the year, there were no options to take up un-issued shares of the Company.

Options exercised

During the year, no shares have been issued by virtue of the exercise of options granted.

Options outstanding

There were no share options outstanding as at 31 March 2015.

Independent auditors

The independent auditors, MGI N Rajan Associates have expressed their willingness to accept appointment.

ON BEHALF OF THE DIRECTORS,

Rohit Gandhi
Director

Manoj Shrikrishna Joshi
Director

Place : India
Date : 29 April 2015

Statement by Directors

For the financial year ended March 31, 2015

In the opinion of directors,

(a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and the statement of cash flows, together with the notes thereto, are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and of the results and changes in equity and the cash flows of the Company for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE BOARD,

Place : India
Date : 29 April 2015

Rohit Gandhi
Director

Manoj Shrikrishna Joshi
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECH MAHINDRA (SINGAPORE) PTE. LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of the TECH MAHINDRA (SINGAPORE) PTE. LIMITED "(the Company)", which comprise the statement of financial position of the Company as at 31 March 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap.50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and the results, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Mgi N Rajan Associates
Public Accountants and
Chartered Accountants

Singapore
Date: 29 April 2015

STATEMENT OF FINANCIAL POSITION
As at March 31, 2015

	Note	2015	2014
		S$	S$
ASSETS			
Non-current assets			
Plant and equipment	6	**3,734**	20,978
Intangible assets	7	**-**	100,084
Deferred tax assets	14	**223,683**	183,956
Total non-current assets		**227,417**	305,018
Current assets			
Cash and cash equivalents	8	**1,068,160**	1,943,861
Trade receivables	9	**7,767,669**	2,626,536
Other receivables	10	**255,838**	75,368
Total current assets		**9,091,667**	4,645,765
Total assets		**9,319,084**	4,950,783
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	11	**5,055,943**	1,150,467
Other payables	12	**370,616**	277,412
Income tax payable	13	**17,553**	60,959
Total current liabilities		**5,444,112**	1,488,838
Equity			
Share capital	15	**50,000**	50,000
Accumulated profits		**3,824,972**	3,411,945
Total equity		**3,874,972**	3,461,945
Total liabilities and equity		**9,319,084**	4,950,783

The accompanying notes form an integral part of these financial information.

STATEMENT OF COMPREHENSIVE INCOME
For the Financial Year ended March 31, 2015

	Note	2015	2014
		S$	S$
Revenue	3	**6,466,669**	4,716,355
Other operating income	4	**25,856**	168,309
Employee benefits expense		**(4,512,512)**	(2,988,432)
Depreciation expense		**(117,328)**	(617,656)
Other operating expenses		**(1,470,792)**	(1,165,379)
Profit before income tax	5	**391,893**	113,197
Income tax expense	13	**21,134**	52,010
Profit after income tax		**413,027**	165,207
Other comprehensive income		**-**	-
Total comprehensive income		**413,027**	165,207

The accompanying notes form an integral part of these financial information.

STATEMENT OF CHANGES IN EQUITY
For the Financial Year ended March 31, 2015

	Share capital	Accumulated profits
	S$	**S$**
Balance at 1 April 2013	50,000	3,246,738
Total comprehensive income for the year	-	165,207
Balance at 31 March 2014	50,000	3,411,945
Total comprehensive income for the year	-	413,027
Balance at March 31, 2015	**50,000**	**3,824,972**

The accompanying notes form an integral part of these financial information.

STATEMENT OF CASH FLOWS
For the financial year ended March 31, 2015

	Note	2015 S$	2014 S$
Cash flows from operating activities			
Net Profit for the year before taxation		**391,893**	113,197
Adjustment for:			
Depreciation		**117,328**	617,656
Operating cash flows before movements in working capital changes		**509,221**	730,853
Trade receivables		**(5,141,133)**	(1,203,524)
Other receivables and prepayments		**(180,470)**	7,979
Trade payables		**3,905,476**	(424,279)
Other payables		**93,204**	(239,313)
Cash (used in) operations		**(813,702)**	(1,128,284)
Tax paid		**(61,999)**	108
Net cash (used in) operating activities		**(875,701)**	(1,128,176)
Cash flows from investing activities			
Purchase of plant and equipment		**-**	(1,099)
Net cash (used in) investing activities		**-**	(1,099)
Net decrease in cash & cash equivalents		**(875,701)**	(1,129,275)
Cash & cash equivalents at the beginning of the year		**1,943,861**	3,073,136
Cash & cash equivalents at end of the year	8	**1,068,160**	1,943,861

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended March 31, 2015

1. CORPORATE INFORMATION

The financial statements of the Company for the year ended 31 March 2015 were authorised for issue in accordance with a resolution of the director on the date of the Statement by Director.

The Company is incorporated as a limited liability Company and domiciled in the Republic of Singapore.

The principal activity of the Company is providing consultancy and services relating to information technology and development of software solutions and products.

The principal place of business and registered office is located at 17, Changi Business Park Central 1, #06-01 Honeywell Building, Singapore 486073.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with Singapore Financial Reporting Standards requires using of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the financial year. The Company has assessed that there are no estimates or judgements used that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

On 1 April 2014, the company has adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application for the financial year. Changes to the company’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the company and had no material effect on the amounts reported for the current or prior financial years.

The financial statements of the Company are expressed in Singapore dollars.

2.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Revenue from rendering of services that are short-term duration is recognized when the services are completed.

2.3 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an items of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, all other property, plant and equipments are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as individual asset with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the profit or loss as incurred. Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materiality from the fair value of the freehold land and buildings at the reporting date.

Any revaluation surplus is recognized in other comprehensive income and accumulated in equity under the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Equipment	1 – 3 years
Renovation	3 years

The residual values, estimated useful lives and depreciation methods are reviewed at each reporting date and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the financial year the asset is derecognized.

2.4 Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful loves. The estimated useful lives and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Amortisation is charged so as to write off the cost of intangible assets over their estimated useful lives, using the straight-line method, on the following bases:

Software	100% in the same month put to use
Software	2 Years — Where software is purchased for customer projects

2.5 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.6 Government Grants

Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis.

2.7 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where 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 some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.8 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expenses are recognised on an effective interest basis of the instruments.

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks that are subject to an insignificant risk of changes in value.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

In subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Other financial liabilities

Trade and other payables and amount due to immediate holding company are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis, except for short-term balances when the recognition of interest would be immaterial.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or expired.

2.9 Leases

All leases are classified as operating leases.

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that incentives are received to enter into operating leases, such incentives are recognised as liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line-basis.

2.10 Income taxes

The liability method of tax effect accounting is adopted by the company. Current taxation is provided at the current taxation rate based on the tax payable on the income for the financial year that is chargeable to tax. Deferred taxation is provided at the current taxation rate on all temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised (unless the deferred tax asset arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss). The statutory tax rates enacted at the balance sheet date are used to determine deferred income tax.

2.11 Functional currency

Items included in the financial statements of the company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the company ("the functional currency"). The financial statements of the company are presented in Singapore Dollars, which is also the functional currency of the company.

2.12 Related party

a) The party directly or indirectly through one or more intermediaries,

   i) controls, is controlled by, or is under common control with, the Company;

   ii) has an interest in the Company that gives it significant influence over the Company; or

   iii) has joint control over the Company;

b) The party is an associate;

c) The party is a jointly-controlled entity;

d) The party is a member of the key management personnel of the Company or its parent;

e) The party is a close member of the family of any individual referred to in a) or d); or

f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly referred to in (d) or

g) The party is a post-employment benefit plan for the benefit of the employees of the Company, or of any entity that is a related party of the Company.

2.13 Share capital

Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

2.14 Employee benefits

The company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The company's contributions to CPF are charged to the profit and loss account in the period to which the contributions relate.

For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation base on past practice.

3 REVENUE

Revenue represents rendering of services at invoiced value, net of goods and services tax, where applicable

During the year the Company has billed to third parties amounting to S$ 11,704,040/- (2014 : S$ 4,087,217/-) on behalf of immediate holding company which is excluded from the revenue.

4 OTHER OPERATING INCOME

	2015	2014
	S$	S$
PIC incentive	**17,862**	-
Government grant	**7,981**	168,148
Miscellaneous income	**13**	161
	25,856	168,309

5 PROFIT BEFORE TAX

	2015	2014
	S$	S$
This is arrived after charging;		
Employee benefits expense	**4,512,512**	2,988,432
Cost of defined contribution plan	**126,841**	74,161

6. PLANT AND EQUIPMENT

2015

	Equipment	Renovation	Total
	S$	S$	S$
Cost			
At 01.04.2014	**419,295**	**236,032**	**655,327**
Additions	**-**	**-**	**-**
At 31.03.2015	**419,295**	**236,032**	**655,327**
Accumulated Depreciation			
At 01.04.2014	**398,317**	**236,032**	**634,349**
Charge for the year	**17,244**	**-**	**17,244**
At 31.03.2015	**415,561**	**236,032**	**634,349**
Net book value			
As at 31.03.2015	**3,734**	**-**	**3,734**

2014	Equipment	Renovation	Total
	S$	S$	S$
Cost			
At 01.04.2013	418,196	236,032	654,228
Additions	1,099	-	1,099
At 31.03.2014	419,295	236,032	655,327
Accumulated Depreciation			
At 01.04.2013	381,165	236,032	617,197
Charge during the year	17,152	-	17,152
At 31.03.2014	398,317	236,032	634,349
Net book value			
As at 31.03.2014	20,978	-	20,978

7. INTANGIBLE ASSETS

2015

Software	S$
Cost:	
At 1 April 2014	**1,201,008**
Addition	**-**
At 31 March 2015	**1,201,008**
Accumulated amortization	
At 1 April 2014	**1,100,924**
Amortisation during the year	**100,084**
At 31 March 2015	**1,201,008**
Carrying amount at 31 March 2015	**-**

2014

Software	S$
Cost:	
At 1 April 2013	1,201,008
Addition	-
At 31 March 2014	1,201,008
Accumulated amortization	
At 1 April 2013	500,420
Amortisation during the year	600,504
At 31 March 2014	1,100,924
Carrying amount at 31 March 2014	100,084

8. CASH AND CASH EQUIVALENTS

	2015	2014
	S$	S$
Cash at bank	**468,160**	1,943,861
Fixed deposits	**600,000**	-
	1,068,160	1,943,861

9. TRADE RECEIVABLES

	2015	2014
	S$	S$
Third parties	**7,224,667**	2,292,439
Less: Allowance for doubtful debts	**(239,473)**	(239,473)
Net	**6,985,194**	2,052,966
Immediate holding company (Note 16)	**774,551**	573,570
Related company (Note 17)	**7,924**	-
	7,767,669	2,626,536

The average credit period on services rendered ranges from 30 to 90 days (2014: 30 to 60 days). No interest is charged on overdue trade receivables.

The amount owing from immediate holding company is unsecured, non-interest bearing and receivable on demand.

The table below is an analysis of trade receivables as at 31 March 2015:

	2015 S$	2014 S$
Not past due and not impaired	**4,371,100**	1,890,855
Past due but not impaired (i)	**2,614,094**	162,111
	6,985,194	2,052,966
Impaired receivables – individually assessed (ii)	**239,473**	239,473
Less : Allowance for doubtful debts	**(239,473)**	(239,473)
Net trade receivables	**6,985,194**	2,052,966

(i) Ageing of receivables that are past due over the average period of 60 days but not impaired:

	2015 S$	2014 S$
61 to 90 days	**240,133**	140,834
>91 days	**2,373,961**	21,277
Total	**2,614,094**	162,111

In determining the recoverability of a trade receivables, the Company considers any changes in the credit quality of the receivables from the date credit was initially granted up the reporting date. There were no significant changes in credit quality for the Company's trade receivables balances which are past due and not impaired. Accordingly, the management believes that no credit provision is required.

(ii) These amounts are stated before any deduction for impairment losses and are not secured by any collateral or credit enhancements.

The allowance for doubtful trade receivables have been determined by taking into consideration recovery prospects and past doubtful experience.

Movement in the allowance for doubtful debts:

	2015 S$	2014 S$
Balance at beginning of year	**239,473**	239,473
Charge to profit and loss	**-**	-
Balance at end of year	**239,473**	239,473

10. OTHER RECEIVABLES

	2015 S$	2014 S$
Advance to employees	**242,285**	73,696
Prepayments	**13,553**	1,672
	255,838	75,368

11. TRADE PAYABLES

	2015 S$	2014 S$
Trade payables		
Third parties	**162,596**	182,159
Immediate holding company	**4,703,593**	859,239
GST	**189,754**	109,069
	5,055,943	1,150,467

The average credit period on purchase is 30 days (2014 : 30 days)

The above balances are all denominated in the functional currency of the Company

The amount owing to related party is unsecured, non-interest bearing and no fixed terms of payment.

12. OTHER PAYABLES

	2015 S$	2014 S$
Accruals	**359,582**	204,968
Withholding tax	**11,034**	64,463
Deferred income	**-**	7,981
	370,616	277,412

13. INCOME TAX EXPENSE

	2015 S$	2014 S$
Current tax	**18,593**	66,223
Prior year over provision	**-**	(15,267)
Deferred tax (Note 14)	**(39,727)**	(102,966)
	(21,134)	(52,010)

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on company's profit as a result of the following:

	2015 S$	2014 S$
Profit before taxation	**391,893**	113,197
Tax @ statutory rate of 17% (2014: 17%)	**66,622**	19,243
Tax effect on non-deductable expense	**(41,831)**	3,236
Statutory stepped income exemption	**(25,925)**	(25,925)
Tax incentive	**(20,000)**	(28,381)
Under provision in prior year of current tax	**-**	(15,267)
Others	**-**	(4,916)
Total	**(21,134)**	(52,010)

Movement in current tax

	2015 S$	2014 S$
Balance brought forward	**60,959**	9,895
Current tax	**18,593**	66,223
Tax paid	**(61,999)**	(38,820)
Tax refund	**-**	46,921
Withholding tax	**-**	(7,993)
Prior year under provision	**-**	(15,267)
Balance carried forward	**17,553**	60,959

14. DEFERRED TAX ASSET

The following are the major deferred tax recognized by the Company and movements during the year:

2015	**Excess of book over tax depreciation S$**	**Provisions S$**	**Total S$**
At 01 April 2014	**183,956**	**-**	**183,956**
Debit to profit and loss (Note 13)	**39,727**	**-**	**39,727**
At 31 March 2015	**223,683**	**-**	**223,683**

2014	**Excess of book over tax depreciation S$**	**Provisions S$**	**Total S$**
At 01 April 2013	80,989	-	80,989
Debit to profit and loss (Note 13)	102,967		102,967
At 31 March 2014	183,956	-	183,956

15. SHARE CAPITAL

	2015 S$	2014 S$
Issued and fully paid up		
5,000 Ordinary shares at the beginning & end of the year	**50,000**	50,000
	50,000	50,000

The ordinary shares are with no par value, entitled for dividend as and when declared and carries one vote per share without restriction.

16. HOLDING COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of Tech Mahindra Limited, incorporated in India which is also the Company's immediate holding company. Related companies are members of the ultimate holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated

	2015 S$	2014 S$
Immediate holding company – Tech Mahindra Limited		
Balance at beginning of the year	**327,572**	360,338
Rendering of services	**(6,466,669)**	(4,716,355)
Services rendered on behalf of immediate holding company	**11,704,040**	4,087,217
Subcontract expense	**-**	278,803
Other reimbursement	**395,842**	194,596
Taxes (GST)	**-**	21,549
Payment	**(8,328,185)**	(5,174,721)
Receipt	**6,296,442**	5,276,145
Balance at end of the year	**3,929,042**	327,572

	S$	S$
Related company – Tech Mahindra ICT		
Services (Malaysia) Sdn Bhd	**-**	-
Balance at beginning of the year	**7,924**	-
Balance at end of the year	**7,924**	-

17. RELATED PARTY TRANSACTIONS

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

18. CAPITAL RISK MANAGEMENT

The management manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance.

The board of directors monitors its capital based on net debt and total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus net debt.

The Company's overall strategy remains unchanged from prior year

	2015 S$	2014 S$
Net debt	**4,358,399**	-
Total equity	**3,874,972**	3,461,945
Total capital	**8,233,371**	3,461,945

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: currency risk, interest rate risk price risk, credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize wherever possible potential adverse effects on the company's financial performance.

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company has very minimal exposure to foreign currency risk as most transaction done in functional currency which is in Singapore dollars.

b) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company does not have financial instruments with variable interest rate.

c) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The company does not hold any quoted or marketable financial instrument, hence, is not exposed to any movements in market prices.

d) Credit risk

The Company has adopted procedure in extending credit terms to customers and in monitoring its credit risk. The Company only grants credit to creditworthy counterparties. Trade receivables that are neither past due nor impaired relates to customers that the Company has assessed to be creditworthy based on the credit evaluation process performed by the management.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognized financial assets is the carrying amount of those assets stated in the statement of financial position.

Although the Company's credit exposure is concentrated mainly in Singapore, it has no significant concentration of credit risk with any single customer of group of customers.

Further details of credit risks on trade receivables are disclosed in Note 9 to the financial statements.

e) Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The company maintains sufficient cash to meet its working capital requirements.

All payables are due within 1 year.

20. FAIR VALUE

The carrying amounts of the financial assets and financial liabilities as reflected in the balance sheet approximate to their fair value due to their short-term nature.

21. FAIR VALUE INSTRUMENTS BY CATEGORY

The carrying amount of the different categories of financial instruments is as follows:-

	2015 SGD	2014 SGD
Loans and receivables	**9,078,114**	4,645,765
Financial liabilities at amortised cost	**5,236,805**	1,427,879

22. STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorization of these financial statements, the following new / revised FRSs, INT FRSs and amendments to FRS that are relevant to the company were issued but not effective:

Reference	Title	Effective annual periods beginning on or after
FRS 114	Regulatory Deferral Accounts	1 January 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 16, FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants	1 January 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 115	Revenue from Contracts with Customers	1 January 2017
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016

The initial application of these standards and interpretations, where applicable, are not expected to have any material impact on the financial statements of the Company.

TECH MAHINDRA (THAILAND) LIMITED

Board of Directors

Mr. Manoj Joshi - Chairman

Mr. Rohit Gandhi

Mr. Chillara Krishnadas

Mr. Sanjeev Pinto

Registered Office

BB Building, 13th Floor, Unit No. 1304,

Sukhumvit 21 Road (Asok), North Klongteoy Sub-district,

Wattana District, Bangkok, Thailand

Bankers

HSBC Limited

Auditors

M/s APK Audit Co. Ltd., Thailand

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2015.

Financial Results

(Thai Baht)

For the year ended March 31,	2015	2014
Income	**94,885,115**	44,842,982
Profit/(Loss) before tax	**3,275,541**	1,050,836
Profit/(Loss) after tax	**2,613,363**	840,669

Review of Operations:
The income for the year has increased by THB 50,042,133 over previous year. The profit before tax has increased by THB 2,224,705

Directors:
During the year under review Mr. C. P. Gurnani has resigned from the office of director. The board of directors places on record its sincere appreciation for the meritorious services offered by him to the Company.

Auditors:
During the year M/s APK Audit Co. Ltd., Thailand has been appointed as the auditor of the company for the financial year 2014-15.

Outlook for the current year:
Thailand is growing market & your company has established itself in Thailand & therefore the directors are cautiously optimistic about the future.

Acknowledgements
Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

For Tech Mahindra (Thailand) Limited

Place : Pune
Date : April 29, 2015

Manoj Shrikrishna Joshi
Chairman

REPORT OF INDEPENDENT AUDITOR

To: The Shareholders of Tech Mahindra (Thailand) Limited

I have audited the accompanying financial statements of Tech Mahindra (Thailand) Limited which comprise the statement of financial position as at March 31, 2015, and the statements of income and statements of changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards for Non-publicly Accountable Entities and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra (Thailand) Limited as at March 31, 2015 and its results of operations for the year then ended in accordance with Thai Financial Reporting Standards for Non-publicly Accountable Entities.

Other Matter
The financial statements of Tech Mahindra (Thailand) Limited for the year ended March 31, 2014 were audited by another auditor who expressed an unqualified opinion on those statements on April 24, 2014.

Komkris Prachakris
CPA (Thailand)
Registration No. 8287

Bangkok
April 29, 2015

STATEMENTS OF FINANCIAL POSITIONS
As at March 31, 2015

	Notes	**2015 Baht**	2014 Baht
ASSETS			
Current Assets			
Cash and cash equivalents	4	**3,140,004**	19,618,158
Trade and other receivable	5	**81,299,454**	18,741,598
Other current assets	6	**3,309,029**	1,162,368
Total Current Assets		**87,748,487**	39,522,124
Non-Current Assets			
Equipment, net	7	**570,982**	-
Other non current assets		**204,000**	-
Total Non-Current Assets		**774,982**	-
Total Assets		**88,523,469**	39,522,124
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payable	8	**69,871,020**	29,381,000
Other current liabilities	9	**6,513,980**	1,062,448
Total Current Liabilities		**76,385,000**	30,443,448
Non-Current Liabilities			
Employee benefit obligations	10	**446,430**	-
Total Non-current liabilities		**446,430**	-
Total Liabilities		**76,831,430**	30,443,448
Shareholders' Equity			
Share capital			
Registered			
60,000 ordinary shares of Baht 100 each	12	**6,000,000**	6,000,000
Issued and fully paid-up			
60,000 ordinary shares of Baht 100 each		**6,000,000**	6,000,000
Retained earnings		**5,692,039**	3,078,676
Total Shareholders' Equity		**11,692,039**	9,078,676
Total Liabilities and Shareholders' Equity		**88,523,469**	39,522,124

Sanjeev Pinto
Director

Manoj Shrikrishna Joshi
Director

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF INCOME FOR THE YEARS ENDED MARCH 31, 2015

	Note	**2015 Baht**	2014 Baht
Revenues			
Sale and service income		**94,832,557**	44,842,982
Other income		**52,558**	-
Total revenues		**94,885,115**	44,842,982
Expenses			
Cost of sales and service		**83,839,193**	41,802,366
Administrative expenses		**7,770,381**	1,989,780
Total expenses		**91,609,574**	43,792,146
Profit (Loss) before finance cost and income tax		**3,275,541**	1,050,836
Income tax		**662,178**	210,167
Net profit (loss)		**2,613,363**	840,669

Sanjeev Pinto
Director

Manoj Shrikrishna Joshi
Director

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For year ended March 31, 2015

	(Unit : Baht)		
	Issued and Paid-up share capital	**Retained earnings**	**Total**
Balance as at 1 April 2014	6,000,000	3,078,676	9,078,676
Net profit	-	2,613,363	2,613,363
Balance as at 31 March 2015	**6,000,000**	**5,692,039**	**11,692,039**
Balance as at April 1, 2013	5,000,000	2,238,007	7,238,007
Increased share capital (Note 12)	1,000,000	-	1,000,000
Net profit	-	840,669	840,669
Balance as at March 31, 2014	6,000,000	3,078,676	9,078,676

Sanjeev Pinto
Director

Manoj Shrikrishna Joshi
Director

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. GENERAL INFORMATION

Tech Mahindra (Thailand) Limited ("the Company") is a limited company incorporated on 26 August 2005 and domiciled in Thailand. The address of its registered office is located at 54 BB Building, 13 Floor, Room 1304, Sukhumvit 21 Road, Klongtoey Nua, Wattana, Bangkok.

The principal business operations of the Company are providing IT services and development for computer software.

The financial statements have been approved by the authorized directors on April 29, 2015.

2. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Basis of preparation

These financial statements have been prepared in accordance with the TFRS for NPAEs as issued by the FAP and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011 issued under the Accounting Act B.E.2543.

The financial statements have been prepared under the historical cost convention

An English version of the company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

2.3 Trade accounts receivable

Trade accounts receivable are initially recognised at the fair value of the consideration received or receivable and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the income statement.

2.4 Equipment

An item of equipment is stated at cost less accumulated depreciation less impairment (if any).

Depreciation is calculated on the straight line basis to write-off the cost of each asset, which is considered to have an indefinite life, to its residual value over the estimated useful life as follows

Office equipment	2	Years
Leasehold improvement	2	Years

The assets' residual value, useful lives, and depreciation method are regularly reviewed.

2.5 Revenue recognition

Revenues from services are recognised when the outcome of a contract for the rendering of services can be estimated reliably, revenue are recognised in the statement of income by reference to the stage of completion of the contract activity at the statement of financial position date. The stage of completion is assessed by reference to the percentage of labour hours incurred to date of estimated total labours hours for each contract.

2.6 Foreign currency translations

Transactions denominated in foreign currencies are translated into Baht at the rates of exchange ruling on the transaction dates. Realised gains and losses on exchange are recognised as income or expenses in the statements of income as incurred. Monetary assets and liabilities at the year end date denominated in foreign currencies are translated in Baht at the rated of exchange ruling on the year end date. Unrealised gains and losses on exchange are recognised in the statements of income as incurred.

2.7 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that give them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.8 Accounting estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions that affect the report amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statement and the amount of revenues and expenses in the reported periods. Actual results may differ form those estimates.

2.9 Provision

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

2.10 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

3. RELATED PARTY TRANSACTIONS

The Company has business transaction with the related parties which are related in respect of shareholding or common shareholder or common director.

Details of relationship between the Company and related companies are as follows:

Company's Name	Country of Incorporation	Relationship
Tech Mahindra Limited	India	Parent company

Transactions with related parties for the years ended March 31 were as follows:

	Pricing policy	2015 Baht	2014 Baht
Service income			
Tech Mahindra Limited	Mutually agreed price	**-**	16,062,760
Tech Mahindra Limited	At actual	**5,354,496**	-
Cost of services			
Tech Mahindra Limited	Mutually agreed price	**9,426,585**	28,780,221

The movement of related party transactions for the years ended 31 March were as follows:

	2015 Baht	2014 Baht
Tech Mahindra Limited		
Opening balance receivable/ (payable)	**(26,379,381)**	4,304,305
Service income	**-**	14,147,938
Cost transfer	**5,354,496**	-
Cost of services	**(9,426,585)**	(28,780,221)
Capital receipt	**-**	(1,000,000)
Other reimbursement – net	**206,298**	524,373
Payments	**28,474,115**	1,199,363
Received	**(4,392,787)**	(19,793,139)
Closing balance receivable/ (payable)	**(6,163,844)**	(26,397,381)

The significant balance with related parties as at March 31 were as follows:

	2015 Baht	2014 Baht
Trade accounts receivable		
Tech Mahindra Limited	**3,040,845**	1,704,320
Trade accounts payable		
Tech Mahindra Limited	**9,204,689**	28,083,701

4. CASH AND CASH EQUIVALENTS

	2015 Baht	2014 Baht
Deposit held at call with banks	**3,140,004**	19,618,158

5. TRADE AND OTHER RECEIVABLES

	2015 Baht	2014 Baht
Trade receivables-related company (Note 3)	**3,040,845**	1,704,320
Trade receivables-third parties	**75,780,196**	12,793,080
Unbilled receivable	**2,218,261**	4,165,031
Other receivables	**260,152**	79,167
	81,299,454	18,741,598

6. OTHER CURRENT ASSETS

	2015 Baht	2014 Baht
Input vat	**2,984,273**	1,151,687
Withholding tax deducted at source	**322,173**	8,098
Other	**2,583**	2,583
	3,309,029	1,162,368

7. EQUIPMENT, NET

	Leasehold Improvement Bath	Office Equipment Bath	Computer Bath	Total Bath
As at March 31, 2014				
Cost	-	-	107,472	107,472
Less Accumulated depreciation	-	-	(107,472)	(107,472)
Net book amount	-	-	-	-
For the year ended March 31, 2015				
Opening net book amount	-	-	-	-
Additional	1,047,291	4,673	-	1,051,964
Less Accumulated depreciation	(480,008)	(974)	-	(480,982)
Net book amount	567,283	3,699	-	570,982
As at March 31, 2015				
Cost	1,047,291	4,673	107,472	1,159,436
Less Accumulated depreciation	(480,008)	(974)	(107,472)	(588,454)
Net book amount	567,283	3,699	-	570,982

8. TRADE AND OTHER PAYABLES

	2015 Baht	2014 Baht
Amount due to related company (Note 3)	**9,204,689**	28,083,701
Trade payables-third parties	**39,504,481**	296,998
Accrued expenses	**21,161,850**	1,000,301
	69,871,020	29,381,000

9. OTHER CURRENT LIABILITIES

	2015 Baht	2014 Baht
VAT payable	**5,339,214**	837,254
Withholding tax payable	**1,174,766**	225,194
	6,513,980	1,062,448

10. EMPLOYEE BENEFIT OBLIGATIONS

The amounts recognised in the statements of financial position are determined as follows:

	2015 Baht	2014 Baht
At 1 April	**-**	-
Additional provisions	**446,430**	-
Payment during the year	**-**	-
At 31 March	**446,430**	-

11. PROMOTIONAL PRIVILEGES

The company received promotional privileges under the Investment Promotion Act B.E. 2520 for investment in enterprise software and digital content on September 18, 2013. The main privileges included the exemption of import duty on machinery and the exemption of corporate income tax for the promoted activities for a period of eight years from the date when income is first derived.

To be entitled to the privileges, the Company must comply with certain conditions and restrictions relating to the rights and privilege included in the promotional certificates.

12. SHARE CAPITAL

At the extraordinary shareholder's meeting No. 1/2013 on May 6, 2013, it was unanimously resolved to increase the registered capital from Baht 5,000,000 (50,000 ordinary shares of Baht 100 each) to Baht 6,000,000 (60,000 ordinary shares of Baht 100 each). The increased share capital was fully paid-up. The Company registered the increased share capital with the Ministry of Commerce on May 20, 2013.

PT TECH MAHINDRA INDONESIA

Board of Directors

Mr. Rohit Gandhi - President

Mr. Milind Kulkarni

Mr. Chillara Krishnadas

Mr. Pranab Choudhury

Registered Office

Ariobimo Sentral 4th Flr.

Suite # 403, Jl. H. R. Rasuna Said

Kav x-2, No. 5, Jakarta 12950,

Indonesia

Bankers

HSBC Bank Ltd.

Auditors

Kosasih, Nurdiyaman, T Jahjo & Rekan

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2015.

Financial Results (US$)

For the year ended March 31	**2015 US $**	**2015 INR**	2014 US $	2014 INR
Income	**22,684,380**	**1,387,743,515**	18,930,516	1,134,316,539
Profit/(Loss) before tax	**6,612,616**	**404,534,528**	3,286,750	196,942,048
Profit/(Loss)after tax	**4,846,778**	**296,507,321**	2,196,002	131,584,418

Review of Operations:

During the year under review, your company recorded an income of US$ 22,684,380 (equivalent to INR 1,387,743,515) increase of 20% over the previous year. Profit before tax was US$ 6,612,616 (equivalent to INR 404,534,528), increase of 100% over the last year. The Company continues to invest in strengthening its marketing infrastructure in Indonesia.

Directors:

Mr. Rohit Gandhi, Mr. Chillara Krishnadas, Mr. Milind Kulkarni and Mr. Pranab Choudhury are directors on the Board.

Outlook for the current year:

Business has been encouraging in Indonesia and the Company is cautiously optimistic of the future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

For PT Tech Mahindra Indonesia

Rohit Gandhi — President Director

Milind Kulkarni — Director

Pune, April 24, 2015

INDEPENDENT AUDITORS' REPORT

Report No. KNT&R-24.04.2015/05

The Shareholders, Commissioner and Board of Directors
PT TECH MAHINDRA INDONESIA

We have audited the accompanying financial statements of PT Tech Mahindra Indonesia (the "Company"), which comprise the statement of financial position as of March 31, 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also include evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Tech Mahindra Indonesia as of March 31, 2015, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

KOSASIH, NURDIYAMAN, TJAHJO & REKAN

Drs. Ruchjat Kosasih, MM., CPA.

April 24, 2015 Public Accountant License No.AP.0271

STATEMENT OF FINANCIAL POSITION
As of March 31, 2015
(Expressed in US Dollar, unless otherwise stated)

	Notes	**2015**	2014
ASSETS			
CURRENT ASSETS			
Cash and cash equivalent	2, 4	**3,159,631.43**	2,281,405.29
Trade receivables - net	2, 5	**15,903,787.39**	10,221,671.11
Prepaid tax	2, 12	**659,614.73**	1,156,189.86
Prepaid expenses and advances	2, 6	**937,849.56**	995,438.89
Total Current Assets		**20,660,883.11**	14,654,705.15
NON-CURRENT ASSETS			
Deferred tax assets	2, 12	**210,076.17**	213,143.05
Estimated claim for tax refund	2, 12	**484,439.78**	484,439.78
Fixed assets - net of accumulated depreciation			
USD 220,694.22 in 2015 and USD 203,462.12 in 2014	2, 7	**58,088.13**	30,811.51
Other asset	8	**53,117.93**	38,859.69
Total Non-Current Assets		**805,722.01**	767,254.03
TOTAL ASSETS		**21,466,605.12**	15,421,959.18
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade payables	2, 9, 17		
Third parties		**2,811,076.94**	1,183,689.35
Related parties		**1,769,823.69**	1,116,396.88
Accrued expenses	2, 10	**1,261,044.82**	231,747.00
Taxes payable	2, 12	**1,225,576.47**	742,902.33
Other payables	2, 11	**105,231.83**	203,217.29
Total Current Liabilities		**7,172,753.75**	3,477,952.85
NON-CURRENT LIABILITY			
Employee benefits liability	2, 13	**288,389.00**	285,322.00
Total Liabilities		**7,461,142.75**	3,763,274.85
EQUITY			
Share Capital -Authorized 1,000,000 shares with	14		
USD 1 par value per share;			
Issued and fully paid - 500,000 shares		**500,000.00**	500,000.00
Retained earnings		**13,505,492.37**	11,158,684.33
Total Equity		**14,005,492.37**	11,658,684.33
TOTAL LIABILITIES AND EQUITY		**21,466,605.12**	15,421,959.18

The accompanying notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME For the Year Ended March 31, 2015

(Expressed in US Dollar, unless otherwise stated)

	Notes	2015	2014
REVENUE	2, 16	**22,684,380.49**	18,930,516.35
COST OF REVENUE	2, 17	**9,932,802.18**	8,153,706.12
GROSS PROFIT		**12,751,578.31**	10,776,810.23
OPERATING EXPENSES	2, 18	**6,369,304.57**	7,117,951.50
INCOME FROM OPERATIONS		**6,382,273.74**	3,658,858.73
OTHER INCOME (CHARGES)	2		
Gain/(Loss) on foreign exchange - net		**(293,514.70)**	230,686.19
Interest income		**3,882.54**	2,204.88
Others- net		**519,974.86**	(605,000.00)
Other Income (Charges) - Net		**230,342.70**	(372,108.93)
PROFIT BEFORE INCOME TAX BENEFIT (EXPENSE)		**6,612,616.44**	3,286,749.80
INCOME TAX BENEFIT (EXPENSE)			
Current	2, 12	**(1,762,771.52)**	(1,107,645.24)
Deferred		**(3,066.88)**	16,897.08
TOTAL COMPREHENSIVE INCOME		**4,846,778.04**	2,196,001.64

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the Year Ended March 31, 2015

(Expressed in US Dollar, unless otherwise stated)

	Notes	**Share Capital**	**Retained Earnings**	**Total Equity**
Balance as of April 1, 2013	14	500,000.00	8,962,682.69	9,462,682.69
Total comprehensive income		-	2,196,001.64	2,196,001.64
Balance as of March 31, 2014	14	500,000.00	11,158,684.33	11,658,684.33
Total comprehensive income		-	4,846,778.04	4,846,778.04
Dividends	15	-	(2,500,000.00)	(2,500,000.00)
Balance as of March 31, 2015	14	**500,000.00**	**13,505,462.37**	**14,005,462.37**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS For the Year Ended March 31, 2015

(Expressed in US Dollar, unless otherwise stated)

	Notes	2015	2014
CASH FLOWS FROM			
OPERATING ACTIVITIES			
Profit before tax		**6,612,616.44**	3,286,749.80
Adjustments to reconcile profit before tax to			
net cash provided by (used in) operating activities:			
Depreciation	7	**17,231.01**	16,306.18
Employee benefits	13	**3,067.00**	67,438.00
Interest income		**(3,882.54)**	(2,204.88)
Changes in operating assets and liabilities:			
Trade receivables		**(5,682,117.30)**	(4,107,202.69)
Prepaid tax		**496,575.13**	(872,765.98)
Prepaid expenses and advance		**23,907.11**	(270,812.92)
Other asset		**19,425.00**	(38,859.69)
Trade payables		**2,280,814.40**	(1,541,053.69)
Other payables		**(15,201.33)**	(571,136.30)
Taxes payable		**103,589.16**	(8,007.17)
Accrued expenses		**946,513.41**	95,179.81
Total change operating assets and liabilities		**4,802,537.49**	(3,946,369.53)
Income tax paid		**(1,383,686.26)**	(566,775.74)
Interest received		**3,882.54**	2,204.88
Net Cash Provided by (Used in) Operating Activities		**3,422,733.77**	(4,510,940.39)
CASH FLOWS FROM INVESTING ACTIVITY			
Acquisition of fixed assets	7	**(44,507.63)**	(24,125.18)
CASH FLOWS FROM INVESTING ACTIVITY			
Dividends paid	15	**(2,500,000.00)**	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT		**878,226.14**	(4,535,065.57)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	4	**2,281,405.29**	6,816,470.86
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	4	**3,159,631.43**	2,281,405.29

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
As of March 31, 2015 and For the Year Then Ended
(Expressed in US Dollar, unless otherwise stated)

1. GENERAL INFORMATION

PT Tech Mahindra Indonesia (the "Company") was established under the Agreement Letter No. 282/I/PMA/2006 of the Foreign Capital Investment and based on the Notarial Deed No. 62 by Kasir SH dated March 23, 2006. The Company's Articles of Association was approved by the Ministry of Law and Human Rights in its Decision Letter No. C-11861HT.01.01 dated April 25, 2006. The Company's Articles of Association has been amended several times, the latest amendment of which was made under Notarial Deed No. 28 dated February 27, 2014 by Siti Safarijah, S.H., to comply with Law No. 40 Year 2007 concerning limited liability company and changes in the Boards of Commissioners and Directors. The amendment was approved by the Ministry of Law and Human Rights through its Decree No. AHU-0026559.01.09.Year 2014 dated April 2, 2014.

According to the Articles of Association, the Company's scope of activities consists of telecommunications and business consulting services. The Company is currently engaged in providing Billing and Customer Care System Managed Services to PT Hutchison CP Telecommunication and to other companies, as disclosed in Note 16.

The Company commenced its commercial operations on May 1, 2006.

The Company's head office is located in Ariobimo Sentral Building at Jalan H.R. Rasuna Said Setiabudi, Jakarta Selatan.

As at March 31, 2015 and March 31, 2014, the composition of the Company's Board of Directors and Commissioners was as follows:

President Commissioner	:	C.P. Gurnani
President Director	:	Rohit Gandhi
Director	:	Milind Kulkarni

As of March 31, 2015 and March 31, 2014, the Company had 186 and 194 permanent employees, respectively (unaudited).

The accompanying financial statements were completed and authorized for issuance by the Company's management on April 24, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise Statement of Financial Accounting Standards ("PSAK") and Interpretations of Statement of Financial Accounting Standard ("ISAK") issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("DSAK").

The accounting policies adopted in the preparation of financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended March 31, 2014.

The financial statements have been prepared on the accrual basis using the historical cost basis of accounting, except for certain accounts which are measured on the bases described in the related accounting policies of each account as disclosed in the relevant notes to the financial statements.

The statements of cash flows are prepared using the indirect method with classifications of cash flows into operating, investing and financing activities.

The reporting currency used in the preparation of the financial statements is the United States Dollar (US Dollar), which is the Company's functional currency.

The Company maintains its books in US Dollar and has obtained approval from the Ministry of Finance with No. KEP-208/PJ.42/2006 dated July 25, 2006.

The preparation of the financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Financial Instruments

(i) Classification

Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available for sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition.

The Company's financial assets consist of cash and cash equivalent, trade receivables and rental deposits, which are classified as loans and receivables.

Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

The Company's financial liabilities consist of trade payables, accrued expenses and other payables, which are classified as financial liabilities measured at amortized cost.

(ii) Recognition and Measurement

Financial Assets

Financial assets are recognized initially at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The subsequent measurement of financial assets depends on their classification.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, such financial assets are carried at amortized cost using the effective interest rate method, except for those assets in which the interest calculation is not material. Gains or losses are recognized in profit or loss when the financial assets are derecognized or impaired, as well as through the amortization process.

Financial Liabilities

Financial liabilities are recognized initially at fair value.

Financial liabilities measured at amortized cost are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the amortization process.

(ii) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(iii) Fair Value of Financial Instruments

The fair values of financial instruments that are actively traded in organized financial markets, if any, are determined by reference to quoted market bid or ask prices at the close of business at the end of the reporting period. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis; or other valuation models.

(v) Amortized Cost of Financial Instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

(vi) Impairment of Financial Assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss.

When the asset becomes uncollectible, the carrying amount of the financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

(vii) Derecognition

Financial Asset

The Company derecognizes a financial asset if, and only if, the contractual rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liability

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Cash and Cash Equivalent

For the purposes of cash flow presentation, cash and cash equivalents consist of cash on hand and in banks and time deposits with maturities of three months or less from the date of placement and are not used as collateral and are not restricted.

Prepaid Expenses

Prepaid expenses are amortized and charged to operations over the periods benefited using the straight-line method.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and any impairment loss. Depreciation is computed using the straight-line method, over the estimated useful life of 4 years.

The estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

The cost of maintenance and repairs is charged to profit or loss as incurred. Significant cost of replacing part of assets and major inspection cost are recognized in the carrying amount of the assets if the recognition criteria are met. When assets are retired or otherwise disposed of, their cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Impairment of Non-financial Assets

The Company assesses at each annual reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

Impairment losses of continuing operations, if any, are recognized as profit or loss under expense categories that are consistent with the functions of the impaired assets.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount of a non-financial asset. An impairment loss is only reversed to the extent that the non-financial asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the profit or loss.

Foreign Currency Transactions and Balances

The accounting records of the Company are maintained in US Dollar. Transactions denominated in currencies other than US Dollar are recorded at the exchange rate prevailing at the time the transactions are made. At the end of the reporting period, monetary assets and liabilities denominated in currencies other than US Dollar are adjusted to reflect the prevailing exchange rate as published by Bank Indonesia at that date. Exchange gains or losses arising on transactions and on translation of monetary assets and liabilities in currencies other than US Dollar are recognized in profit or loss.

The exchange rates used for translation into US Dollar as of March 31, 2015 and 2014 were Rp 13,084.00 and Rp 11,404.00, respectively.

Revenue and Expense Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Taxes (VAT).

Revenue from time bound fixed price engagements is recognized using the percentage of completion method of accounting, unless the work completed cannot be reasonably estimated. Provision for estimated losses, if any on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Expenses are recognized when incurred (accrual basis).

Transactions with Related Parties

A party is considered to be related to the Company if:

a. Directly or indirectly through one or more intermediaries, the party (i) controls, or is controlled by, or is under common control with the Company; (ii) has an interest in the Company that gives significant influence over the Company; or (iii) has joint control over the Company;

b. The party is an associate of the Company;

c. The party is a joint venture in which the Company is a venturer;

d. The party is a member of the key management personnel of the Company or its parent;

e. The party is a close member of the family of any individual referred to (a) or (d);

f. The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to (d) or (e); or

g. The party is a post employment benefit plan for the benefit of employees of the Company, or any entity that is a related party of the Company.

The transactions are made based on terms agreed by the parties, whereas such terms may not be the same as those transactions with unrelated parties.

All significant transactions and balances with related parties are disclosed in Note 19.

Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current tax expense is provided based on the estimated taxable income for the year. Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at the end of each reporting period. Future tax benefits, such as the carry-forward of unused tax losses, are also recognized to the extent that realization of such benefits is probable.

Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carry forward of unused tax losses can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the benefit of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted at the end of reporting period. The related tax effects of the provisions for and/or reversals of all temporary differences during the year, including the effect of change in tax rates, are included in the statement of comprehensive income of the current year.

Deferred tax assets and liabilities are offset when a legally enforceable right exists to offset current tax assets against current tax liabilities, or the deferred tax assets and the deferred tax liabilities relate to the same taxable entity, or the Company intends to settle its current tax assets and liabilities on a net basis.

Employee Benefits

The Company recognized unfunded employee benefits liability in accordance with Labor Law No. 13/2003 dated March 25, 2003 (the "Labor Law"). Under PSAK No. 24 (Revised 2010), the cost of providing employee benefits is determined using the projected-unit-credit actuarial valuation method.

The Company has chosen the 10% corridor method for the recognition of actuarial gains and losses on provision for employee benefits in accordance with Labor Law.

Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting period exceeded the greater of 10% of the present value of the defined benefit obligation or 10% of the fair value of the plan assets, if any. These gains and losses are recognized on a straight-line method over the expected average remaining work lives of the employees.

Past-service costs are recognized immediately in the profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period. The current service cost is recorded as an expense in the prevailing period.

The Company recognized gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises change in the present value of the defined obligation and any related actuarial gains and losses and past-service cost that had not previously been recognized.

Dividends

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts herein and the related disclosures, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

(i) Classification of Financial Assets and Financial Liabilities

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2011). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2.

(ii) Allowance for Impairment of Trade Receivables

The Company evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Company uses judgment, based on available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on any available third party credit reports and known market factors, to record specific provisions for customers against amounts due to reduce its receivable amounts that the Company expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment accounts. The carrying amount of the Company's trade receivables before allowance for impairment as of March 31, 2015 and 2014 are USD 16,448,429.48 and USD 10,766,312.18, respectively (Note 5).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions as they occur.

(i) Employee Benefits

The determination of the Company's obligations and cost for employee benefits liability is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rate, annual salary increase rate, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Company's assumptions which effect are more than 10% of the defined benefit obligations are deferred and being amortized on a straight-line basis over the expected average remaining services years of the qualified employees.

While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual results or significant changes in the Company's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. The carrying amount of the Company's estimated liability for employee benefits as of March 31, 2015 and March 31, 2014 are USD 288,389.00 and USD 285,322.00, respectively (Note 13).

(ii) Depreciation of Fixed Assets

The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management properly estimates the useful lives of these fixed assets to be 4 years. These are common life expectancies applied in the industry where the Company conducts its business. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The net book value of the Company's fixed assets as of March 31, 2015 and 2014 are USD 58,088.13 and USD 30,811.51, respectively (Note 7).

(iii) Income Tax

Significant judgment is involved in determining provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due.

(iv) Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. As of March 31, 2015 and 2014, the Company has deffered tax assets amounting to Rp 210,076.17 and 213,143.05, respectively (Note 12).

4. CASH AND CASH EQUIVALENT

The details of this account are as follows:

	2015	2014
Cash on hand	**32,305.23**	1,255.97
Cash in banks		
US Dollar		
The Hongkong and Shanghai Banking Corporation	**878,089.99**	2,002,109.59
PT Bank Negara Indonesia (Persero) Tbk.	**478.53**	-
Rupiah		
The Hongkong and Shanghai Banking Corporation	**182,085.66**	258,867.45
PT Bank Mandiri (Persero) Tbk	**66,329.08**	19,172.28
PT Bank Negara Indonesia (Persero) Tbk.	**342.94**	-
Sub total	**1,127,326.20**	2,280,149.32
Cash equivalent		
Time deposit		
US Dollar		
The Hongkong and Shanghai Banking Corporation	**2,000,000.00**	-
Sub total	**2,000,000.00**	-
Total	**3,159,631.43**	2,281,405.29

Time deposit earned interest at 3.86% per annum in 2015.

5. TRADE RECEIVABLES - NET

This account consists of:

	2015	2014
Third parties		
PT Hutchinson 3 Indonesia	10,033,186.91	1,211,074.51
PT. XL Axiata Tbk	3,175,949.38	-
PT Hutchison CP Telecommunication	1,378,106.08	3,532,319.64
PT Sophie Paris Indonesia	586,687.38	-
PT Cisco Systems Indonesia	350,877.64	225,337.66
PT Cisco Technologies Indonesia	179,297.67	-
PT Indosat Tbk	168,217.83	-
PT Asuransi Allianz Life Indonesia	163,328.18	-
PT AXIS Telekom Indonesia	155,416.93	5,234,452.56
PT BT Communications Indonesia	147,981.33	360,713.96
PT Bank Mandiri (Persero) Tbk	51,209.96	41,509.76
PT Mitra Integrasi	15,076.50	15,076.50
PT Hero Supermarket Tbk	14,339.56	14,339.56
PT PETRONAS Niaga Indonesia	11,440.00	-
PT Badak Natural Gas Liquefaction	9,317.35	9,317.35
PT Oracle	1,75.38	-
PT Konsulindo Informatika Perdana	721.15	721.15
PT Hanjaya Mandala Sampoerna Tbk	237.15	64,832.60
PT IBM Indonesia	76.93	76.93
PT Huawei Tech Investment	-	56,540.00
Total	**16,443,173.31**	10,766,312.18
Related party (Note 19)	5,256.15	-
Allowance for impairment	(544,641.07)	(544,641.07)
Net	**15,903,788.39**	10,221,671.11

The aging analysis of the trade receivables is as follows:

	2015	2014
Less than 30 days	**10,997,544.00**	2,026,373.06
31 days to 60 days	**1,798,002.41**	3,457,364.34
61 days to 90 days	**974,151.65**	1,818,583.85
More than 90 days	**2,678,731.42**	3,463,990.93
Total	**16,448,429.48**	10,766,312.18
Allowance for impairment	**(544,641.07)**	(544,641.07)
Net	**15,903,788.41**	10,221,671.11

The Company's management believes that the allowance for impairment is adequate to cover possible losses that may arise from non-collection of accounts.

6. PREPAID EXPENSES AND ADVANCES

The details of this account are as follows:

	2015	2014
Advances to suppliers	**241,624.34**	261,424.34
Rental software	**451,471.44**	522,682.59
Advances to employees	**224,764.15**	153,006.41
Others	**19,989.63**	24,642.31
Total	**937,849.56**	995,438.89

7. FIXED ASSETS

2015	Beginning	Additions	Deductions	Ending
Cost				
Computer	234,273.63	44,507.63	-	278,781.26
Accumulated Depreciation				
Computer	203,462.12	17,231.01	-	220,693.13
Net Book Value	**30,811.51**			**58,088.13**

2014	Beginning	Additions	Deductions	Ending
Cost				
Computer	210,148.45	24,125.18	-	234,273.63
Accumulated Depreciation				
Computer	187,155.94	16,306.18	-	203,462.12
Net Book Value	22,992.51			30,811.51

In 2015 and 2014, depreciation charged to operations amounted to USD 17,231.01 and USD 16,306.18, respectively (Note 18).

The Company's fixed assets were not covered by insurance policy.

Based on management's assessment, there are no events or changes in circumstances which would indicate impairment in the carrying value of fixed assets as of March 31, 2015 and 2014.

8. OTHER ASSETS

The details of this account are as follows:

	2015	2014
Rental deposit	**14,258.24**	33,683.24
Others	**38,859.69**	38,859.69
Total	**53,117.93**	72,542.93

9. TRADE PAYABLES

The details of this account are as follows:

	2015	2014
Third Parties:		
PT Hewlett-Packard Berce Servicindo	**1,280,132.27**	253,377.03
We Do Consulting	**375,129.90**	-
CSG International Sdn. Bhd.	**240,000.00**	-
PT Radinka Anugra	**172,866.69**	9,720.00
PT Ernst & Young Indonesia	**131,760.00**	-
PT. Synnex Metrodata Indonesia	**199,892.26**	-
PT. Multipiranti Mediadata	**104,509.44**	-
Guy Carpenter & Company Ltd	**63,620.00**	-
PT Niagaprima Paramitra	**62,975.04**	62,975.04
Intec Systems (Asia) Sdn Bhd	**40,000.00**	101,530.00
PT Focus Com	**18,832.31**	120,179.95
Elite Technologies Ltd	**15,200.00**	39,112.60
PT Iditya Putra	**14,467.76**	12,904.62
Tectacle Technologies MSC	**12,083.98**	12,083.98
HQ Global Workplaces	**8,659.41**	10,261.99
Subex Azure Ltd	**8,552.20**	32,503.63
CIBA	**8,412.12**	7,598.38
Six DEE Telecom Solutions Pvt. Ltd.	**7,840.00**	27,713.75
Xprint	**6,729.02**	-

	2015	2014
Pan Asia Resources Pte Ltd	**5,779.22**	-
Tiendas Law Offices	**4,931.79**	2,636.29
Kosasih nurdiyaman tjahjo & rekan	**4,762.80**	3,842.86
PT.PRO NOTION TECHNOLOGY	**2,991.48**	-
PT Asuransi Aliianz Life Indonesia	**2,917.92**	5,145.42
PT Rasuna Residence Development (Aston Rasuna)	**2,833.12**	6,364.74
PT Mitra Integarasi	**2,280.64**	98,105.33
PT Berca Hardaya Perkasa	**1,936.00**	129,558.62
PT Aero Globe Indonesia (Aerotravel)	**1,101.47**	1,101.47
Power IT consultancy Services Pte Ltd	**909.26**	-
Apar Technnologies Ltd.	**693.95**	693.95
R Systems (Singapore) Pte Ltd	**528.68**	2,256.86
PT Aneka Teknik Andalan	**517.43**	593.65
Sati Safarijah SH	**344.47**	358.17
Servion Global Solutions Pte Ltd	**360.00**	360.00
PT Jamsostek	**48.21**	8,933.24
Bharti Telesoft Ltd	**-**	8,440.00
PT H&P Solusi Indonesia	**-**	6,739.72
PT Datacraft Indonesia	**-**	6,046.75
PT Madawani Mandiri	**-**	7,128.00
Landsat Communication Pte,Ltd	**-**	8,000.00
Tibco Software Inc	**-**	25,270.00
VIZ Sector Consultant	**-**	22,173.89
PT Oracle Indonesia	**-**	15,172.10
PT Convergys Indonesia	**-**	64,330.90
Openet Telcom Malaysia Sdn Bhd	**-**	57,487.32
PT Arsena Solusindo	**-**	1,751.01
Infogain Systems Pvt Ltd	**-**	3,300.00
Pan Asia HR Counsulting - Indonesia	**-**	2,876.19
PT Sumber Daya Info Prima	**-**	1,238.18
PT Primatech	**-**	800.60
PT VisoNet Internasional	**-**	688.43
Student advisory centre (SAC)-ITS	**-**	225.13
Star Holiday	**-**	184.80
PT IMSI	**-**	162.00
Atreus Global	**-**	153.00
PT. AIDC Technology Indonesia	**-**	60.88
Bahwan Cybertek	**-**	18.00
Others	**6,478.10**	1,530.88
	2,811,076.94	1,183,689.35
Related Parties (Note 19)	**1,769,823.69**	1,116,396.88
Total	**4,580,900.63**	2,300,086.23

10. ACCRUED EXPENSES

The details of this account are as follows:

	2015	2014
Profesional fees	**578,077.34**	82,784.41
Travel	**568,990.70**	108,769.79
Medical claims	**66,936.78**	59,627.93
Payables to employees	**39,174.21**	35,015.30
Salaries	**7,865.79**	28,333.98
Total	**1,261,044.82**	314,531.41

11. OTHER PAYABLES

This account represents leave encashment liabilities amounting to USD 105,231.83 and USD 120,432.89 as of March 31, 2015 and 2014, respectively.

12. TAXATION

This account consists of:

a. As of March 31, 2015 and 2014, prepaid tax amounting to USD 659,614.73 and USD 1,156,189.86, respectively, pertains to VAT on import purchases.

Based on the prevailing tax regulations, VAT on import purchases is eligible to credit against VAT Output Payable upon payment to State Treasury.

b. Taxes payable consist of the following:

	2015	2014
Income taxes:		
Article 4 (2)	**206.75**	204.64
Article 21	**54,016.68**	61,040.56
Article 23	**71,029.88**	5,891.77
Article 26	**2,378.61**	5,307.48
Article 29	**922,827.29**	543,742.31
VAT Payable	**175,117.26**	126,715.57
Total	**1,225,576.47**	742,902.33

c. Reconciliation between income before income tax expense, as shown in the statements of comprehensive income and estimated taxable income for the years ended March 31, 2015 and 2014 are as follows:

	2015	2014
Profit before income tax expense per statement of comprehensive income	**6,612,616.44**	3,286,749.79
Permanent differences:		
Insurance	**237,877.18**	244,825.96
School fees	**96,176.36**	126,259.87
Rate and tax	**66,238.85**	4,548.52
Staff welfare	**39,880.54**	50,295.64
Rent	**5,300.72**	32,474.65
Business promotion	**5,000.00**	-
Meals	**4,296.39**	4,647.40
Income already subjected to final income tax:		
Interests on bank	**(3,882.54)**	(2,204.88)
Offshore - Lease Breakage	**-**	551.66
Communication	**-**	9,054.57
Entertainment	**-**	628.04
Other	**-**	605,000.00
Temporary differences:		
Employee benefits	**3,067.00**	67,438.00
Leave enchasment	**(15,201.06)**	-
Depreciation	**(283.79)**	311.74
Total	**438,469.65**	1,143,831.17
Estimated taxable income	**7,051,086.09**	4,430,580.96

Taxable income is calculated by converting the income before corporate income tax and the reconciling items as stated in the income tax computation using the average exchange rate for the years ended March 31, 2015 and 2014 which are Rp 13,122.00 and Rp 11,381.00, respectively, to 1 US Dollar.

The computation of income tax expense - current and estimated claim for tax refund for the years ended March 31, 2015 and 2014, are as follows:

	2015	2014
Estimated taxable income	**7,051,086.09**	4,430,580.96
Current income tax expense	**1,762,771.52**	1,107,645.24
Prepayments of income tax:		
Withholding tax article 23	**(342,961.59)**	(290,393.41)
Advanced tax	**(496,982.64)**	(273,509.52)
Income tax payable (claim for tax refund)	**922,827.29**	543,742.31

d. Claim for tax refund consists of:

	2015	2014
March 31, 2013	**104,673.98**	104,673.98
March 31, 2012	**379,765.80**	379,765.80
Total	**484,439.78**	484,439.78

e. Deferred income tax benefit, computed on the tax benefit of significant temporary differences between financial and tax reporting, using 25% which is the maximum tax rate is as follows:

	2015	2014
Employee benefits	**766.75**	16,859.50
Provision for leave encashment - offshore	**(3,800.26)**	-
Depreciation	**(33.37)**	37.58
Total	**(3,066.88)**	16,897.08

Deferred tax assets consist of:

	2015	2014
Employee benefits	**72,097.25**	71,330.50
Allowance for impairment	**136,160.52**	136,160.52
Depreciation	**5,618.66**	5,652.03
Provision for leave encashment - offshore	**(3,800.26)**	-
Total	**210,076.17**	213,143.05

13. EMPLOYEE BENEFITS

The Company provides post-retirement employee benefits program in the form of severance and gratuity in accordance to labor regulation in Indonesia (Labor Law No. 13/2003 dated March 25, 2003).

The following tables summarize the components of employee benefits expense recognized in the statement of comprehensive income and employee benefits liability recognized in the statements of financial position, as determined by PT Padma Radya Aktuaria, an independent actuary, in its report dated April 15, 2015 for 2015 and April 4, 2014 for 2014.

a. Net employee benefits expense (Note 18):

	2015	2014
Current service cost	**90,552.00**	112,576.00
Interest cost	**12,447.00**	11,804.00
Actuarial gain recognized	**(8,144.00)**	(3,673.00)
Effect of curtailment/ settlement	**(62,252.00)**	(29,262.00)
Forex gain	**(29,536.00)**	(24,007.00)
Total	**3,067.00**	67,438.00

b. Employee benefits recognized in the statement of financial position are as follows:

	2015	2014
Present value of defined benefit obligation	**200,492.00**	175,052.00
Actuarial loss not recognized in the statements of financial position	**87,897.00**	110,270.00
Total	**288,389.00**	285,322.00

c. Movements in the employee benefits liability are as follows:

	2015	2014
Balance at the beginning of the year	**285,322.00**	217,884.00
Provision during the year (Note 18)	**3,067.00**	67,438.00
Balance at the end of the year	**288,389.00**	285,322.00

d. Movements of present value of obligation are as follows:

	2015	2014
Balance at the beginning of the year	**175,052.00**	139,356.00
Current service cost	**90,552.00**	43,255.00
Interest cost	**12,447.00**	5,866.00
Curtailment and settlements	**(45,478.00)**	-
Actuarial gains and losses	**(2,545.00)**	(16,575.00)
Forex changes	**(29,536.00)**	3,150.00
Balance at the end of the year	**200,492.00**	175,052.00

e. The principal assumptions used in determining the employee benefits liability as of March 31, 2015 and 2014 are as follow:

	2015	2014
Discount rate	**7.5%**	8.25%
Annual salary increment rate	**10%**	10%
Mortality rate	**100% TMI3**	100% TMI2
Morbidity rate	**5% TMI3**	5% TMI2
Normal retirement age	**60**	60

f. Amounts for the current and previous four annual periods are as follows:

	2015	2014	2013	2012	2011
Present value of defined Benefits obligations	**200,492.00**	175,052	211,150	163,660	92,306
Deficit	**200,492.00**	175,052	211,150	163,660	92,306
Experience adjustments on Obligation	**(28,953)**	(23,860)	8,668	(57,546)	758

14. SHARE CAPITAL

The details of the Company's shareholders as of March 31, 2015 and 2014 are as follows:

Stockholders	**Number of Shares**	**Percentage of Ownership (%)**	**Shares Value**
Tech Mahindra Limited	499,000	99.80	499,000.00
Mr. Atanu Sarkar	1,000	0.20	1,000.00
Total	**500,000**	**100.00**	**500,000.00**

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to stockholders, issue new shares or raise debt financing. No changes were made in the objectives, policies or processes as of March 31, 2015 and March 31, 2014.

The total capital considered by the Company consists of the following:

	2015	2014
Share capital	**500,000.00**	500,000.00
Retained earnings	**13,505,492.37**	11,158,684.33
Total	**14,005,492.37**	11,658,684.33

15. DIVIDENDS

On September 30, 2014, the Company declared the distribution of an interim dividend for 2014 amounting to USD 2,500,000.00 or USD 5 per share. The interim dividend was paid on October 28, 2014.

16. REVENUE

The details of this account are as follows:

	2015	2014
PT Hutchinson CP Telecommunications	**16,719,043.67**	12,793,458.03
PT Axis Powered by XL	**3,451,035.50**	5,159,918.91
PT Sophie Paris Indonesia	**1,181,957.36**	-
PT BT Communications Indonesia	**265,463.20**	314,827.24
PT Cisco Systems Indonesia	**360,520.46**	204,852.41
PT Asuransi Allianz Life Indonesia	**224,933.38**	-
PT Hanjaya Mandala Sampoerna Tbk	**171,984.00**	138,304.73
PT Bank Mandiri (Persero) Tbk	**95,760.16**	60,277.76
PT Indosat Tbk	**93,270.40**	-
Indosat IT	**59,654.90**	-
PT Badak Natural Gas Liquefaction	**48,558.18**	207,477.27
PT PETRONAS Niaga Indonesia	**10,400.00**	-
PT Parimas Hicindo Sentosa	**1,799.28**	-
PT Huawei Tech Investment	**-**	51,400.00
Total	**22,684,380.49**	18,930,516.35

17. COST OF REVENUE

This account represents the costs incurred in developing the billing and customer care system which consist of hardware, software and services. In 2015 and 2014, cost of revenue amounted to USD 9,932,802.18 and USD 8,153,706.12, respectively.

18. OPERATING EXPENSES

	2015	2014
Salaries	**4,109,200.23**	5,065,940.32
Professional fees	**419,090.60**	78,177.24
Other allowances	**408,879.79**	349,882.08
Travel	**402,820.81**	549,077.37
Insurance	**237,877.18**	244,825.96
Variable performance Allowance	**165,219.34**	238,333.51
School fees - overseas	**96,176.36**	126,259.87
Severance pay	**49,523.68**	-
Staff welfare	**39,880.54**	50,295.64
Printing and stationery	**39,811.94**	48,138.31
Telecommunication	**34,353.82**	52,534.51
Leave encashment	**33,848.60**	45,343.21
Rental	**31,448.42**	59,238.45
Conveyance	**31,281.41**	-
Recruitment	**23,521.47**	30,947.13
Rates and taxes	**66,238.85**	4,548.52
Bank charges	**55,685.55**	10,985.77
Depreciation (Note 7)	**17,231.01**	16,306.18
Audit fee	**13,848.70**	650.98
Training fees	**7,499.86**	879.75
Business promotion	**5,000.00**	-
Pantry expenses	**4,296.65**	4,647.40
Offshore - lease breakage	**3,420.21**	-
Employee benefits (Note 13)	**3,067.00**	67,438.00
Courier expenses	**1,809.19**	3,237.55
Entertainment exp	**-**	628.04
Miscellaneous expense	**68,273.36**	69,635.71
Total	**6,369,304.57**	7,117,951.50

19. BALANCES AND NATURE OF TRANSACTIONS AND RELATIONSHIP WITH RELATED PARTIES

In the normal course of the business, the Company engaged in transactions with related parties consisting of the following:

a. Trade receivables from a related party is as follows:

	2015	2014
Tech Mahindra Limited	**5,256.15**	-
Percentage to total assets	**0.02%**	-

b. The related trade payables and cost of revenue arising from trade services obtained by the Company from related parties are as follows:

	2015	2014
Tech Mahindra Limited	**1,736,921.29**	1,113,696.88
Comviva Technologies Ltd	**32,902.40**	2,700.00
Total (Note 9)	**1,769,823.69**	1,116,396.88
Percentage to total liabilities	**27.07%**	29.67%

Purchases from related parties for years ended March 31, 2015 and 2014 amounted to USD 2,134,543 or 21.49% of the total cost of revenue and USD 1,786,534 or 21.91% of the total cost of revenue, respectively.

c. Details of transactions with related parties as of March 31, 2015 are as follows:

	Tech Mahindra Limited	**Tech Mahindra (Enterprise)**	**Comviva Technologies**
Opening balance			
as of April 1, 2014	1,103,697.00	10,000.00	4,950.00
Service income charges			
to holding corporation			
cost of services charged	2,020,400.00	-	114,142.75
Other reimbursement - net	167,049.19	77,832.00	-
Taxes	-	-	(20,440.47)
Payments	(4,124,349.00)	(17,964.00)	
Prepaid expenses	2,495,000.00		(11,938)
Provision			(2,250.00)
Ending balance	**1,661,797.19**	**69,868.00**	**32,902.40**

d. Total remuneration incurred by the Company for its key management personnel amounted to USD 464,326.54 and Rp 3,012,213,310.00 in 2015 and USD 454,209 and Rp 1,445,181,429 in 2014.

e. Nature of transactions and relationship with related parties are as follows:

Related Parties	**Relationship**	**Transaction**
Tech Mahindra Limited	Shareholder	Trade services
Comviva Technologies Ltd	Affiliate	Trade services

20. SIGNIFICANT CONTRACT

In 2014, the Company entered into an agreement with PT Hutchison CP Telecommunication (HCPT). The Company, as the Contractor, agreed to provide Billing and Customer Care System (System) Management Services to HCPT. Under the agreement, the Contractor shall supply a complete turnkey delivery of the System, which includes, but not limited to, HCPT Customer Care, order management, provisioning, mediation, product management/catalogue, resource management, billing and invoicing, payment and collection, interconnect accounting, dealer and partner management, fraud management, reporting, revenue sharing and settlement, rating engine, tarif management, account and balance management and voucher management system. The System shall include hardware, software and services. This Agreement shall take effect from the effective date July 01, 2014 and shall expire on the third (3rd) anniversary of the Effective Date (the Initial Term) if not automatically renewed. PT Hutchison CP Telecommunication (HCPT) may terminate this Agreement (in whole or part) at the end of the Initial Term without any cause by giving the Contractor written notice (the Initial Termination Notice) of at least six (6) months prior to the end of the Initial Term. In the absence of such an Initial Termination Notice, this Agreement shall continue to be effective for a further period of two (2) years (the Renewal Term).

21. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company has risk management policies and has established processes to monitor and control the risks inherent in its business and activities. The existing risk management policies and processes focus on the unpredictability of the market and seek to minimize potential adverse effects on the Company's financial performance.

The Company has exposure to the following risks from its use of financial instruments:

1. Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract, leading to a financial loss. The Company has maintained prudent analyses and credit approval and also monitored receivable balances continuously in order to minimize the exposure to bad debts.

As of March 31, 2015 and 2014, the maximum Company's exposure of the credit risk approximates the net carrying amounts of the following:

	2015	2014
Cash in bank and cash equivalent	**3,127,326.20**	2,280,149.32
Trade receivables	**16,448,429.46**	10,766,312.18
Rental deposit	**14,258.24**	33,683.24
Advances to employees	**224,764.15**	153,006.41
Total	**19,814,778.05**	13,233,151.15

The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

The following table provides the credit quality and age analysis of the Company financial assets according to the Company credit ratings of counterparties as of March 31, 2015 and 2014:

2015

		Past due but not impaired					
	Neither past due nor impaired	**<30 Days**	**30-60 Days**	**61-180 Days**	**> 180 Days**	**Past due and impaired**	**Total**
Cash in banks	**1,127,326.20**	**-**	**-**	**-**	**-**	**-**	**1,127,326.20**
Trade receivables	**-**	**10,997,544.00**	**1,798,002.41**	**974,151.65**	**2,134,090.35**	**544,641.07**	**16,448,429.48**
Rental deposit	**14,258.24**	**-**	**-**	**-**	**-**	**-**	**14,258.24**
	1,366,348.59	**10,992,287.83**	**1,798,002.41**	**974,151.65**	**2,134,090.35**	**544.641.07**	**17,590,013.92**

2014

		Past due but not impaired					
	Neither past due nor impaired	<30 Days	30-60 Days	61-180 Days	> 180 Days	Past due and impaired	Total
Cash in banks	2,280,149.32	-	-	-	-	-	2,280,149.32
Trade receivables	-	2,026,373.06	3,457,364.34	1,818,583.85	2,919,349.86	544,641.07	10,766,312.18
Rental deposit	33,683.24	-	-	-	-	-	33,683.24
	2,466,838.97	2,026,373.06	3,457,364.34	1,818,583.85	2,919,349.86	544,641.07	13,080,144.74

The credit quality of financial instruments is managed by the Company using internal credit ratings. Financial instruments classified under "neither past due nor impaired" includes high grade credit quality instruments because there was few or no history of default on the agreed terms based on the letter of authorization, letter of guarantee or promissory note. "Past due but not impaired" are items with history of frequent default nevertheless the amount due are still collectible. Lastly, "past due and impaired" are those that are long outstanding and has been provided with allowance for impairment loss on receivables.

2. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to market risks, in particular, foreign currency exchange risk.

Foreign Currency Exchange Risk

The Company is exposed to market risks, in particular foreign currency exchange risk.

Foreign currency exchange risk is the risk that arises from the changes of exchange rate of US Dollar as the reporting currency against foreign currency, especially Rupiah.

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to exchange rate fluctuations comes from the exchange rate difference between US Dollar and Rupiah. The significant portion of the foreign currency exchange risk is contributed by Rupiah denominated cash on hand and in banks and trade payables.

The Company's exposure to exchange rate fluctuations comes from the exchange rate between US Dollar and Rupiah.

The Company closely monitors the foreign exchange rate fluctuation and market expectation so it can take necessary actions benefited most to the Company in due time. The management currently does not consider the necessity to enter into any currency forward/swaps.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate against Rupiah, with all other variables held constant, to the Company income before tax for the year ended March 31, 2015 and 2014:

	Increase (decrease) in IDR rate	Effect on income
	-4%	34,557,296
March 31, 2015	4%	(34,557,296)
March 31, 2014	6%	(365,708,936)
	-6%	365,708,936

The Company had monetary asset and liability denominated in foreign currencies as of March 31, 2015 and 2014 and were presented in Note 23.

3. Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its obligations when they fall due. The Company evaluates and monitors cash-in flow and cash-out flow to ensure the availability of fund to settle the due obligation. In general, fund needed to settle the current liabilities is obtained from collection of trade receivables from the customers.

All of the financial liabilities of the Company are due within one year from the end of the reporting period with details as follows:

	2015	2014
Financial Liabilities		
Trade payables		
Third parties	**2,811,076.94**	1,183,689.35
Related parties	**1,769,823.69**	1,116,396.88
Accrued expenses	**1,261,044.82**	231,747.00
Other payables	**105,231.83**	203,217.29
	5,947,177.28	2,735,050.52

22. FINANCIAL INSTRUMENTS

The tables set forth the carrying values and estimated fair values of the Company's financial instruments that are carried in the statement of financial position as of March 31, 2015 and 2014:

	2015		2014	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
FINANCIAL ASSETS				
Loans and receivables				
Cash and cash equivalent	**3,159,631.43**	**3,159,631.43**	2,281,405.29	2,281,405.29
Trade receivables - net	**15,903,787.39**	**15,903,787.39**	10,221,671.11	10,221,671.11
Rental deposits	**14,258.24**	**14,258.24**	33,683.24	33,683.24
Advances to employees	**224,764.15**	**224,764.15**	153,006.41	153,006.41
Total Financial Assets	**19,302,441.21**	**19,302,441.21**	12,689,766.05	12,689,766.05
FINANCIAL LIABILITIES				
Financial liabilities measured at amortized cost				
Trade payables				
Third parties	**2,811,076.94**	**2,811,076.94**	1,183,689.35	1,183,689.35
Related parties	**1,769,823.69**	**1,769,823.69**	1,116,396.88	1,116,396.88
Accrued expenses	**1,261,044.82**	**1,261,044.82**	231,747.00	231,747.00
Other payables	**105,231.83**	**105,231.83**	203,217.29	203,217.29
Total Financial Liabilities	**5,947,177.28**	**5,947,177.28**	2,735,050.52	2,735,050.52

The fair values of all the financial instruments approximate their carrying amounts largely due to the short-term maturities of these instruments.

23. MONETARY ASSET AND LIABILITY DENOMINATED IN FOREIGN CURRENCY

As of March 31, 2015 and 2014, the Company had monetary asset and liability denominated in foreign currency which are as follows:

	2015		2014	
	Original Currency	**US Dollar Equivalent**	Original Currency	US Dollar Equivalent
ASSET				
Cash and cash equivalent	**IDR 3,677,427,114**	**281,062.91**	IDR 3,185,088,165.31	279,295,70
LIABILITY				
Trade payables	**IDR 4,274,135,379**	**326,668.86**	IDR 915,706,369.51	80,296.94
NET ASSET	**(596,708,264.64)**	**(45,605.95)**	2,269,381,795,80	198,998.76

As of April 24, 2015, the exchange rate published by Bank Indonesia was Rp 12,941.00 to 1 USD. If such exchange rate had been used as of March 31, 2015, the net liability will increase by USD 503.95.

24. RECLASSIFICATION OF ACCOUNT

Certain accounts in the financial statements of March 31, 2014 have been reclassified to conform with the presentation of financial statements of March 31, 2015:

		March 31, 2014	
	Before Reclassification	**Reclassification**	**After Reclassification**
Statements of financial position			
Non-Current Asset			
Prepaid expenses and advance	9,95,439.89	(33,683.24	9,61,756.65
Other asset	38,859.69	33,683.24	72,542.93
Current Liabilities			
Accrued expenses	2,31,747.00	82,784.41	3,14,531.41
Other payable	2,03,217.29	(82,784.41	1,20,432.88

25. NEW ACCOUNTING STANDARDS

The following standards are effective for financial statements for the period commencing from on or after January 1, 2015:

- PSAK 1 (2013) - "Presentation of Financial Statements";
- PSAK 24 (2013) - "Employee Benefits";
- PSAK 68 - "Fair Value Measurement".

The Company are still evaluating the impact of these revised/ new accounting standards to the Company financial statements.

TECH MAHINDRA (MALAYSIA) SDN. BHD.

Board of Directors

Mr. Rohit Gandhi

Mr. Manoj Joshi

Mr. Chillara Krishnadas

Ms. Chong Li Khuen

Ms. Sabrina Ong Lee Leigh

Registered Office

35-3, Jalan SS,

15/8A, 47500,

Subang Jaya,

Selangor Darul Ehsan,

Malaysia

Bankers

HSBC Limited

Auditors

SSY Partners

Directors' Report
for the year ended 31 March 2015

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 March 2015.

Principal activities

The principal activities of the Company are to act as developer, advisor, consultants and implementer of software systems relating to information technology and electronic services including application and programming services, administration and management control, technical, scientific and operational assistance, systems design, project management training and support of personnel, management of service facility and generally, any type of business in connection therein.

There have been no significant changes in the nature of these activities during the financial year.

Financial results

	RM
Profit for the year	1,339,964

Dividends

No dividends were paid, declared or proposed since the end of the previous financial year. The Directors do not recommend the payment of any dividend for the financial year ended 31 March 2015.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year.

Issue of shares and debentures

There were no issue of shares or debentures during the financial year.

Directors

The Directors of the Company who held office since the date of the last report are as follows:

Krishnadas Chillara	
Chong Li Khuen	
Rohit Gandhi	
Sabrina Ong Lee Leigh	
Manoj Shrikrishna Joshi	(Appointed on 26.3.2015)
Milind Vasant Kulkarni	(Resigned on 26.3.2015)

Retirement and re-election of the Directors at the Annual General Meeting will be in accordance with the Company's Articles of Association.

Directors' interests

According to the Register of Directors' shareholdings, none of the Directors in office at the end of the financial year held any interest in the shares of the Company during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except as disclosed in the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount to which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) no contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Directors, would affect substantially the results of the operations of the Company for the financial year in which this report is made; and

(b) no charge has arisen on the assets of the Company which secures the liability of any other person nor has any contingent liability arisen in the Company.

Holding corporation

The Directors regard Tech Mahindra Limited, a company incorporated in India, as the immediate holding corporation, and Mahindra & Mahindra Ltd., a corporation incorporated in India, as the ultimate holding corporation.

Auditors

The auditors, Messrs SSY Partners, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 April, 2015.

Manoj Shrikrishna Joshi	**Rohit Gandhi**
Director	Director

Pune, India

STATEMENT BY DIRECTORS
Pursuant to Section 169(15) of the Companies Act 1965

We, Manoj Shrikrishna Joshi and Rohit Gandhi, being two of the Directors of Tech Mahindra (Malaysia) Sdn. Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages herein are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2015 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 April, 2015.

Manoj Shrikrishna Joshi
Director

Rohit Gandhi
Director

Pune, India

STATUTORY DECLARATION
Pursuant to Section 169(16) of the Companies Act 1965

I, Manoj Shrikrishna Joshi, being the Director primarily responsible for the financial management of Tech Mahindra (Malaysia) Sdn. Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages herein are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the India Notary Act 1952.

Subscribed and solemnly declared by
the abovenamed Manoj Shrikrishna Joshi
at Pune on 30 April, 2015

Manoj Shrikrishna Joshi
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

(Company No: 775522-U)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Tech Mahindra (Malaysia) Sdn. Bhd., which comprise the statement of financial position as at 31 March 2015 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages herein.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2015 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the Members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SSY Partners	**Jason Sia Sze Wan**
AF: 0040	No. 2376/05/16 (J)
Chartered Accountants	Partner

Subang Jaya, 30 April, 2015

STATEMENT OF FINANCIAL POSITION
as at March 31, 2015

	Note	2015 RM	2014 RM
ASSETS			
Non-current assets			
Equipment	5	**4,187**	7,500
Current assets			
Trade and other receivables	6	**8,904,522**	5,625,435
Amount due from affiliated corporation	7	**65,925**	2,500,000
Deferred taxation	8	**-**	25,661
Cash and bank balances		**4,597,447**	5,859,141
		13,567,894	14,010,237
TOTAL ASSETS		**13,572,081**	14,017,737
EQUITY AND LIABILITIES			
Equity attributable to equity holder of the Company			
Share capital	9	**312,822**	312,822
Retained earnings		**4,518,045**	3,178,081
TOTAL EQUITY		**4,830,867**	3,490,903
Non-current liabilities	8	**180,467**	-
Deferred taxation		**180,467**	-
Current liabilities			
Trade and other payables	10	**4,877,534**	2,972,853
Amount due to immediate holding corporation	11	**3,558,411**	7,424,072
Taxation		**124,802**	129,909
		8,560,747	10,526,834
TOTAL LIABILITIES		**8,741,214**	10,526,834
TOTAL EQUITY AND LIABILITIES		**13,572,081**	14,017,737

The accompanying notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended March 31, 2015

	Note	2015 RM	2014 RM
Revenue			
Service income		**36,350,047**	38,824,440
Cost of services		**(35,798,769)**	(36,752,453)
Gross profit		**551,278**	2,071,987
Other operating income		**2,012,436**	116,519
Administrative expenses		**(764,746)**	(1,294,360)
Profit before taxation	12	**1,798,968**	894,146
Taxation	14	**(459,004)**	(247,200)
Profit for the year		**1,339,964**	646,946

STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2015

	Share capital RM	Retained earnings RM	Total RM
At 1 April 2014	**312,822**	**3,178,081**	**3,490,903**
Profit for the year	**-**	**1,339,964**	**1,339,964**
At 31 March 2015	**312,822**	**4,518,045**	**4,830,867**
At 1 April 2013	312,822	2,531,135	2,843,957
Profit for the year	-	646,946	646,946
At 31 March 2014	312,822	3,178,081	3,490,903

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended March 31, 2015

	Note	2015 RM	2014 RM
Cash flows from operating activities			
Profit before taxation		**1,798,968**	894,146
Adjustments for:			
Depreciation on equipment		**3,313**	3,807
Gain on foreign exchange – unrealised		**(826,873)**	(24,811)
Interest income		**(105,983)**	(91,708)
Operating profit before working capital changes		**869,425**	781,434
Increase in trade and other receivables		**(2,441,863)**	(1,066,615)
Decrease/(increase) in amount due from affiliated corporation		**2,434,075**	(2,500,000)
Increase/(decrease) in trade and other payables		**1,894,330**	(4,120,647)
(Decrease)/increase in amount due to immediate holding corporation		**(3,865,661)**	1,627,689
Cash used in operating activities		**(1,109,694)**	(5,278,139)
Interest received		**105,983**	91,708
Tax paid		**(257,983)**	(233,623)
Net decrease in cash and cash equivalents		**(1,261,694)**	(5,420,054)
Cash and cash equivalents at beginning of the year		**5,859,141**	11,279,195
Cash and cash equivalents at end of the year	15	**4,597,447**	5,859,141

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2015

1. CORPORATE INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 35-3, Jalan SS 15/8A, 47500 Subang Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Malaysia Global Solution Centre Persiaran APEC, 63000 Cyberjaya, Selangor Darul Ehsan.

The principal activities of the Company are to act as developer, advisor, consultants and implementer of software systems relating to information technology and electronic services including application and programming services, administration and management control, technical, scientific and operational assistance, systems design, project management training and support of personnel, management of service facility and generally, any type of business in connection therein. There have been no significant changes in the nature of these activities during the financial year.

The number of employees in the Company at the end of the financial year was 101 (2014: 129).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 30 April, 2015.

2. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies (Note 3).

The preparation of financial statements in conformity with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM).

3. Significant accounting policies

All significant accounting policies set out below are consistent with those applied in the previous financial year except as disclosed in Note 4.

(a) Equipment and depreciation

Equipment is initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Subsequent to recognition, equipment is stated at cost less accumulated depreciation and impairment losses.

All assets are depreciated on a straight line basis to write off the cost of each asset to its residual value over their estimated useful lives at the following annual rates:

	%
Computer	25

Where an indication of impairment exists, the carrying amount of the assets is assessed and written down immediately to its recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are included in the statement of comprehensive income.

(b) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts on a review of all outstanding amounts at the year end.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances.

(d) Payables

Payables are stated at the fair value of the consideration to be paid in the future for goods and services costs.

(e) Revenue recognition

Revenue is recognised upon delivery of goods and customers' acceptances, if any, or performance of services.

(f) Impairment of assets

The carrying amounts of assets, other than investment property, construction contract assets, property development costs, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each financial year end to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

(g) Financial instruments

Financial instruments carried on the statement of financial position include cash and bank balances, investments, receivables, payables and borrowings. The recognition methods adopted are disclosed in the respective accounting policy statements.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instruments classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Financial assets are recognised in the statements of financial position when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting.

On initial recognition, financial assets are measured at fair value, plus transaction costs for financial assets not at 'fair value through profit or loss'. Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or a shorter period to the net carrying amount of the financial assets.

After initial recognition, financial assets are classified into one of four categories: financial assets at 'fair value through profit or loss', 'held-to-maturity' investments, loans and receivables and 'available-for-sale' financial assets.

i Financial assets at 'fair value through profit or loss'

Financial assets are classified as financial assets at 'fair value through profit or loss' when the financial assets are either 'held for trading', or upon initial recognition, financial assets are designated as financial assets at 'fair value through profit or loss'.

A financial asset is classified as 'held for trading' if:

- it is acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective hedging instrument.

Financial assets (other than 'held for trading') are designated as financial assets at 'fair value through profit or loss' upon initial recognition if:

- it eliminates or significant reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or recognising the gains and losses on them on different bases; or
- a group of financial assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- a contract contains one or more embedded derivatives, the entire hybrid contracts are designated as at 'fair value through profit or loss'.

After initial recognition, financial assets at 'fair value through profit or loss' are measured at fair value. Gains or losses on the financial assets at 'fair value through profit or loss' are recognised in profit or loss.

ii 'Held-to-maturity' investments

'Held-to-maturity' investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that and the

Company has the positive intention and ability to hold to maturity.

After initial recognition, 'held-to-maturity' investments are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when 'held-to-maturity' investments are derecognised or impaired.

iii Loans and receivables

Loans and receivables are non-derivative financial assets (such as trade receivables, loans assets, unquoted debt instruments and deposits held in banks) with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when loans and receivables are derecognised or impaired.

iv 'Available-for-sale' financial assets

Financial assets are classified as 'available-for-sale' financial assets when the financial assets are either designated as such upon initial recognition or are not classified in any of the three preceeding categories.

Investment in quoted equity and debt instruments that are traded in active market and certain unquoted equity instruments (when the fair value can be determined using a valuation technique) are classified as 'available-for-sale' financial assets. 'Available-for-sale' financial assets are measured at fair value.

Gains or losses on 'available-for-sale' financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains or losses on monetary instruments, until the 'available-for-sale' financial assets are derecognised.

The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Interest calculated using the effective interest method is recognised in profit or loss. Dividends on 'available-for-sale' equity instruments are recognised in profit or loss when the Company's right to receive payment is established.

v Investment in unquoted equity instruments carried at cost

Investment in equity instruments which do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such an unquoted equity instruments, are measured at cost less any accumulated impairment losses.

vi Reclassifications of financial assets

The Company does not reclassify derivative out of the 'fair value through profit or loss' category while they are held or in issue. Equally, the Company does not reclassify other financial assets out of the financial assets at 'fair value through profit or loss' category if upon initial recognition, those financial assets were designated as financial assets at 'fair value through profit or loss'. Other financial assets are not reclassified into the financial assets at 'fair value through profit or loss' category after initial recognition under another category.

When it is no longer appropriate to classify an investment as 'held-to-maturity' as a result of a change in intention and ability, the investment is reclassified as held for sale and re-measured at fair value. Any difference between the carrying amount and fair value of the investment is recognised in other comprehensive income.

vii Impairment of financial assets

At the end of each reporting year, the Company assesses whether there is any objective evidence that financial assets held, other than financial assets at 'fair value through profit or loss', are impaired. Financial assets are impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial assets which have an impact on the estimated future cash flows of the financial assets that can be reliably measured.

For investment in equity instruments classified as 'available-for-sale', objective evidence that the financial assets are impaired include the disappearance of an active trading market financial difficulties, and a significant and/or prolonged decline of the market price below the cost.

For other financial assets, objective evidence could include:

- significant financial difficulties of the issuer; or
- default or significant delay in payments and delinquency in interest or principal payments; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial re-organisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

Impairment losses, in respect of 'held-to-maturity' investments carried at amortised cost are measured as the differences between the assets' carrying amounts and the present values of their estimated future cash flows discounted at the 'held-to-maturity' investments' original effective interest rate.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade and other receivables, and staff loans receivables which are reduced through the use of an allowance account, and when these becomes uncollectible. Any impairment loss is recognised in profit or loss immediately. If, in later periods, the amount of any impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

If there is objective evidence that impairment losses have been incurred on financial assets carried at cost, the amount of any impairment loss is measured as the differences between the carrying amounts of the financial assets and the present value of their estimated future cash flows discounted at the current market rate of return for a similar financial assets. Such impairment losses are not reversed.

For 'available-for-sale' financial assets, if a decline in fair value has been recognised in other comprehensive income and there is objective evidence that the assets are impaired, the cumulative losses that have been recognised are reclassified to profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as 'available-for-sale' financial assets are not reversed through profit or loss. If the fair value of a debt instrument classified as an 'available-for-sale' financial asset subsequently increases, and the increase can be objectively related to an event occurring after the impairment losses were recognised in profit or loss, the impairment losses are reversed and recognised in profit or loss.

viii Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the Company transfers the financial assets and the transfers qualifies for derecognition.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income are recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised on the statements of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, financial liabilities are measured at fair value, plus transaction costs for financial liabilities not at 'fair value through profit or loss'. After initial recognition, financial liabilities are either classified as financial liabilities at 'fair value through profit or loss' or amortised cost using the effective interest method.

i Financial liabilities at 'fair value through profit or loss'

Financial liabilities are classified as financial liabilities at 'fair value through profit or loss' when the financial liabilities are either 'held for trading' or upon initial recognition, the financial liabilities are designated as financial liabilities at 'fair value through profit or loss'.

A financial liability is classified as 'held for trading' if:

- it is incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated as an effective hedging instrument.

Financial liabilities (other than 'held for trading') are designated as financial liabilities at 'fair value through profit or loss' upon initial recognition if:

- it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring liabilities or recognising the gains and losses on them on different bases; or
- a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- a contract contains one or more embedded derivatives, the entire hybrid contracts are designated as financial liabilities at 'fair value through profit or loss'.

  After initial recognition, financial liabilities at 'fair value through profit or loss' are measured at fair value. Gains or losses on the financial liabilities at 'fair value through profit or loss' are recognised in profit or loss.

ii Financial liabilities at amortised cost using the effective interest method

Effective interest method is a method of calculating the amortised cost of financial liabilities and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or a shorter period to the net carrying amount of the financial liabilities.

After initial recognition, financial liabilities other than financial liabilities at 'fair value through profit or loss' are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

iii Derecognition of financial liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of financial liabilities derecognised and the consideration paid is recognised in profit or loss.

(h) Equity instruments

Ordinary shares are classified as equity.

(i) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the financial year end. Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided for, using the liability method, on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit or loss nor taxable profit.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at year end. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

(j) Foreign currency

i Reporting currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

ii Foreign currency transactions and balances

Foreign currency transactions in the Company are accounted for at exchange rates prevailing at the transactions dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the statement of financial position date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the statement of comprehensive income.

iii Closing rates

The principal closing rates used in translation of foreign currency amounts are as follows:

	2015	2014
	RM	RM
1 United States Dollar (USD)	**3.7035**	3.2736

4. Adoption of new and revised Malaysian Financial Reporting Standards and interpretations

MFRSs that have been issued but not effective

The following revised MFRSs issued by the MASB, effective for financial year beginning on or after 1 July 2014, have not been adopted, and the adoptions are not expected to have any or significant impact on the financial statements:

Amendments to MFRS 2:	Share-based Payment
Amendments to MFRS 3:	Business Combinations
Amendments to MFRS 8:	Operating Segments
Amendments to MFRS 13:	Fair Value Measurement
Amendments to MFRS 116:	Property, Plant and Equipment
Amendments to MFRS 119:	Employee Benefits
Amendments to MFRS 124:	Related Party Disclosures
Amendments to MFRS 138:	Intangible Assets
Amendments to MFRS 140:	Investment Property

The following new and revised MFRSs issued by MASB, effective for financial periods beginning on or after 1 January 2016, have not been adopted, and the adoptions are not expected to have any or significant impact on the financial statements:

MFRS 14:	Regulatory Deferral Accounts
Amendments to MFRS 5:	Non-current Assets Held for Sale and Discontinued Operations
Amendments to MFRS 7:	Disclosures – Offsetting Financial Assets and Financial ‘’Liabilities
Amendments to MFRS 10:	Consolidated Financial Statements
Amendments to MFRS 11:	Joint Arrangements
Amendments to MFRS 116:	Property, Plant and Equipment
Amendments to MFRS 119:	Employee Benefits
Amendments to MFRS 127:	Separate Financial Statements
Amendments to MFRS 128:	Investment in Associates and Joint Ventures
Amendments to MFRS 134:	Interim Financial Reporting
Amendments to MFRS 138:	Intangible Assets
Amendments to MFRS 141:	Agriculture

The following new MFRS issued by MASB, effective for financial periods beginning on or after 1 January 2017, has not been adopted, and the adoptions are not expected to have any or significant impact on the financial statements:

MFRS 15: Revenue from Contracts with Customers

The following new MFRS issued by MASB, effective for financial periods beginning on or after 1 January 2018, has not been adopted, and the adoptions are not expected to have any or significant impact on the financial statements:

MFRS 9: Financial Instruments

MFRS 9 requires all recognised financial assets that are within the scope of MFRS 139 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

The most significant effect of MFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at ‘fair value through profit or loss’) attributable to changes in the credit risk of that liability. Specifically, under MFRS 9, for financial liabilities that are designated as at ‘fair value through profit or loss’, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss.

5. Equipment

	Computer RM
Carrying amount	
At 1 April 2014	**7,500**
Depreciation charge	**(3,313)**
At 31 March 2015	**4,187**
At 31 March 2015	
Cost	**34,548**
Accumulated depreciation	**(30,361)**
Carrying amount	**4,187**
Carrying amount	
At 1 April 2013	11,307
Depreciation charge	(3,807)
At 31 March 2014	7,500
At 31 March 2014	
Cost	34,548
Accumulated depreciation	(27,048)
Carrying amount	7,500

6. Trade and other receivables

	2015 RM	2014 RM
Trade receivables	**9,453,565**	6,539,810
Less: Allowance for doubtful debts	**(2,190,984)**	(2,190,984)
	7,262,581	4,348,826
Other receivables	**934,198**	80,175
Accrued income	**707,743**	1,196,434
	8,904,522	5,625,435

Accrued income represent invoices not issued to customers of which goods or services sold have been completed and have been included under trade payables.

The currency exposure profile of trade and other receivables is as follows:

	2015 RM	2014 RM
Ringgit Malaysia	**2,508,147**	1,870,263
United States Dollar	**6,396,375**	3,755,172
	8,904,522	5,625,435

The ageing analysis of the trade receivables is as follows:

	2015 RM	2014 RM
Neither past due nor impaired	**1,712,716**	4,065,443
Past due, not impaired:		
- 1 to 30 days past due, not impaired	**4,880,544**	192,011
- 31 to 60 days past due, not impaired	**58,749**	85,042
- 61 to 90 days past due, not impaired	**392,546**	6,330
- 91 to 180 days past due, not impaired	**218,026**	-
	5,549,865	283,383
Past due and impaired	**2,190,984**	2,190,984
	9,453,565	6,539,810

The balance of receivables that are past due but not impaired are unsecured in nature. The management is confident that the remaining receivables are recoverable as these accounts are still active.

7. Amount due to affiliated corporation

Amount due from affiliated corporation, Tech Mahindra ICT Services (Malaysia) Sdn. Bhd. consisted of inter corporate deposit with fixed interest of 4% per annum, which were unsecured and repayable within 6 months. This inter corporate deposit was fully settled during the quarter ended 30 June 2014.

Amount due from affiliated corporation for the current financial year is trade in nature, and repayable on demand.

8. Deferred taxation

	2015 RM	2014 RM
At beginning of the year	**25,661**	-
Recognised in income statement (Note 14)	**(206,128)**	25,661
At the end of the year	**(180,467)**	25,661

Deferred taxation consists of temporary differences between the tax bases of assets and liabilities and their carrying amounts.

9. Share capital

	2015 RM	2014 RM
Authorised:		
5,000,000 ordinary shares of RM1 each	**5,000,000**	5,000,000
Issued and fully paid:		
312,822 ordinary shares of RM1 each	**312,822**	312,822

10. Trade and other payables

	2015 RM	2014 RM
Other payables	**1,355,684**	1,442,600
Advance billings	**2,701,709**	767,089
Provision for expenses	**820,141**	763,164
	4,877,534	2,972,853

Advance billing represent invoices issued to customers of which goods or services sold have not been completed and have been included under trade receivables.

The currency exposure profile of trade and other payables is as follows:

	2015 RM	2014 RM
Ringgit Malaysia	**4,843,207**	2,938,526
United States Dollar	**34,327**	34,327
	4,877,534	2,972,853

11. Amount due to immediate holding corporation

The Directors regard Tech Mahindra Limited, a corporation incorporated in India as the immediate holding corporation.

Amount due to immediate holding corporation is unsecured, interest free and repayable on demand.

The significant account balances with immediate holding corporation are as follows:

	2015 RM	2014 RM
Amount due from immediate holding corporation	**823,933**	2,475,829
Amount due to immediate holding corporation	**(4,382,344)**	(9,899,901)
Net amount due to immediate holding corporation	**(3,558,411)**	(7,424,072)

12. Profit before taxation

	2015 RM	2014 RM
Profit before taxation is arrived at after charging:		
Staff costs (Note 13)	**14,048,944**	11,206,088
Depreciation on equipment	**3,313**	3,807
Loss on foreign exchange – realised	**-**	515,423
Auditors' remuneration		
- current year	**18,000**	18,000
- under provision in prior year	**10,500**	9,500
Rental of premises	**88,000**	96,000
Directors fee	**6,000**	6,000
and crediting:		
Gain on foreign exchange – realised	**1,079,580**	-
Gain on foreign exchange – unrealised	**826,873**	24,811
Interest income	**105,983**	91,708

13. Staff costs

	2015 RM	2014 RM
Salaries and allowances	**13,280,169**	10,149,021
EPF and SOCSO	**131,811**	109,609
Leave encashment and other emoluments	**636,965**	947,458
	14,048,944	11,206,088

14. Taxation

	2015 RM	2014 RM
Malaysian income tax		
Current year	**252,876**	271,421
Under provision in prior year	**-**	1,440
	252,876	272,861
Deferred tax		
Relating to originating temporary differences (Note 8)	**206,128**	(25,661)
	459,004	247,200

A reconciliation of income tax expense applicable to the results of the Company at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	2015 RM	2014 RM
Profit before taxation	**1,798,968**	894,146
Taxation at Malaysian statutory tax rate of 25%	**449,742**	223,536
Tax effect of expenses not deductible for tax purposes	**9,262**	22,224
Under provision of income tax in prior year	**-**	1,440
	459,004	247,200

15. Cash and cash equivalents

	2015 RM	2014 RM
Cash in hand	**2**	2
Cash at bank (USD)	**26,287**	25,061
Cash at bank	**4,571,158**	5,834,078
	4,597,447	5,859,141

16. Significant related party transactions

The Company has transactions with its holding corporation and the financial statements reflect the effects of these transactions on the basis agreed upon between the Company and its immediate holding corporation which basis might be different from the transactions with unrelated parties.

Significant transactions with immediate holding and affiliated corporations during the year consist of:

	2015 RM	2014 RM
Revenue		
Service income charged to immediate holding corporation	**16,277,165**	17,565,004
Interest income from affiliated corporation,		
- Tech Mahindra ICT Services (Malaysia) Sdn. Bhd.	**17,500**	26,344
Expenses		
Cost of services charged by immediate holding	**20,072,882**	21,259,436
Cost of services charged by affiliated corporation		
- Tech Mahindra Limited	**-**	848,449

i. Analysis of movement of amount due to immediate holding corporation

	2015 RM	2014 RM
At 1 April 2014 / 2013	**(7,424,072)**	(5,796,383)
Service income charges	**16,277,165**	17,565,004
Cost of services charged	**(20,072,882)**	(21,259,436)
Other reimbursement (net)	**(408,353)**	(729,812)
Payments	**26,050,474**	26,334,031
Receipts	**(17,980,743)**	(16,619,161)
	(3,558,411)	(505,757)
Transferred from affiliated corporation [Note 16(ii)]	**-**	(6,918,315)
At 31 March 2015 / 2014	**(3,558,411)**	(7,424,072)

ii. Analysis of movement of amount due to former affiliated corporation

	2015 RM	2014 RM
At 1 April 2014 / 2013	**-**	(6,034,681)
Cost of services charged	**-**	(848,449)
Other reimbursement (net)	**-**	(35,185)
	-	(6,918,315)
Transferred to holding corporation [Note 16(i)]	**-**	6,918,315
At 31 March 2015 / 2014	**-**	-

The former affiliated corporation, Mahindra Satyam Limited (formerly known as Satyam Computer Services Limited), has merged into the holding corporation on 24 June 2013.

iii. Analysis of movement of amount due from affiliated corporation

	2015 RM	2014 RM
At 1 April 2014 / 2013	**2,500,000**	-
Inter corporate deposit	**-**	2,500,000
Other reimbursements (net)	**(135,691)**	-
Payments	**(2,298,384)**	-
At 31 March 2015 / 2014	**65,925**	2,500,000

The affiliated corporation represents Tech Mahindra ICT Services (Malaysia) Sdn. Bhd.

17. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Credit risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. An internal credit review is conducted if the credit risk is material.

(b) Foreign currency risk

The Company is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is mainly United States Dollars (USD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Sensitivity analysis

The following table demonstrates the sensitivity of the Company's profit after tax and equity to a reasonably possible change in the exchange rates against the respective functional currencies of the Company's entities, with all other variables held constant.

	Profit after tax RM	Equity RM
2015		
USD/RM		
- strengthened by 5%	**319,410**	**319,410**
- weakened by 5%	**(319,410)**	**(319,410)**

	Profit after tax RM	Equity RM
2014		
USD/RM		
- strengthened by 5%	**187,290**	187,290
- weakened by 5%	**(187,290)**	(187,290)

(c) Liquidity and cash flow risks

The Company relies on its management of working capital to ensure that the cash flow within the operating cycle are sustainable. In the event of additional funds required to operate the Company, the financial support from its holding company and related companies is necessary to meet its short term funding needs.

18. Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ["L&R"]

(b) Other financial liabilities ["OFL"]

	Note	Carrying amount RM	L&R RM	OFL RM
2015				
Financial assets				
Trade and other receivables	6	**8,904,522**	**8,904,522**	**-**
Amount due from affiliated Corporation	7	**65,925**	**65,925**	**-**
Cash and bank balances		**4,597,447**	**4,597,447**	**-**
At 31 March 2015		**13,567,894**	**13,567,894**	**-**
Financial liabilities				
Trade and other payables	10	**4,057,393**	**-**	**4,057,393**
Amount due to immediate holding corporation	11	**3,558,411**	**-**	**3,558,411**
At 31 March 2015		**7,615,804**	**-**	**7,615,804**
2014				
Financial assets				
Trade and other receivables	6	5,625,435	5,625,435	-
Amount due from affiliated Corporation	7	2,500,000	2,500,000	-
Cash and bank balances		5,859,141	5,859,141	-
At 31 March 2014		13,984,576	13,984,576	-
Financial liabilities				
Trade and other payables	10	2,209,659	-	2,209,659
Amount due to immediate holding corporation	11	7,424,072	-	7,424,072
At 31 March 2014		9,633,761	-	9,633,761

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Board of Directors

Mr. C. P. Gurnani - Chairman

Mr. Rohit Gandhi

Mr. Chillara Krishnadas

Registered Office

Room 2925 of 29F Block C,

Central International Trade Center,

6A Jian Guo Men Wai Avenue,

Chao Yang District, Beijing

Bankers

HSBC Limited

Auditors

Zhong Sheng Jia Hua

Certified Public Accountant

Beijing

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended December 31, 2014.

Financial Results

For the year ended December 31,	**2014 RMB**	2013 RMB
Income	**1,559,361**	1,879,228
Profit/(Loss) before tax	**78,693**	125,629
Profit/(Loss)after tax	**78,693**	125,629

Review of Operations:

The Company continued its marketing activities and an income of RMB 1,559,361, there was a profit of RMB 78,693.

Directors:

Mr. C. P. Gurnani, Mr. Chillara Krishnadas and Mr. Rohit Gandhi are directors of the Company.

Outlook for the current year:

The Company is optimistic of getting business in near future.

Acknowledgements:

Your Directors gratefully acknowledge the co-operation and assistance received from the employees, bankers, State and other Government Authorities and support from the shareholder.

For Tech Mahindra (Beijing) IT Services Limited

C. P. Gurnani
Chairman

Place: Beijing
Date: April 8, 2015

REPORT OF THE AUDITORS

Shengjiawaishenzi[2015]No.002

TO TECH MAHINDRA (BEIJING) IT SERVICES LIMITED:

We have accepted the entrustment from Tech Mahindra (Beijing) IT Services Ltd. and have audited the accompanying balance sheet of the Company as of 31 December 2014 and the related consolidated cash flow statements, profit/loss and profit distribution statements for the year then ended.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements in accordance with the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People's Republic of China. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China's Auditing Standards for the Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Company comply with the requirements of the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People's Republic of China and present fairly, in all material respects, the financial position of the Company as at 31 December 2014, and the results of operations and cash flows of the Company for the year ended 31 December 2014.

This report is only used as the correrponding part of the chinese part of this year, but not for other usage.

Beijing Zhong Sheng Jia Hua Certified Public Accountants Co.,Ltd	Name of CPA: Wu Bo
Beijing•China	Name of CPA: Cao Feng

April 8, 2015

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Balance Sheet (As of 31 December 2014)

Prepared by Tech Mahindra (Beijing) IT Services Ltd							RMB Yuan
Assets	**No.**	**Beginning of period**	**End of period**	**Liabilities and Shareholders Equity**	**No.**	**Beginning of period**	**End of period**
Current assets				**Current liabilities:**			
Cash and bank	1	7,71,850.84	14,27,188.11	Short-term loans	68		
Short-term investment	2			Bills payable	69		
Bills receivable	3			Accounts payable	70	5,17,400.19	5,40,041.25
Dividend receivable	4			Advances on sales	71		
Interest receivable	5			Wages and salaries unpaid	72	0.00	0.00
Accounts receivable	6	12,47,988.80	6,95,400.16	Staff welfare fund unpaid	73		
Other receivables	7	3,405.76	3,405.76	Dividend unpaid	74		
Prepayments	8	13,550.00	13,550.00	Tax unpaid	75	17,367.08	18,164.04
Subsidy receivable	9			Other outstanding payments	80	16,000.28	16,000.00
Inventories	10			Other expenses	81		
Deferred expenses	11			Contingent liabilities	82		
Long-term investment in bonds to be expired within one year	21				83		
Other current assets	24			Long-term liabilities to be expired within one year	86		
Total current assets	**31**	**20,36,795.40**	**21,39,544.03**	**Other current liabilities**	**90**		
Long-term investment:							
Long-term investment in stocks	32			Total current liabilities	100	5,50,767.55	5,74,205.29
Long-term investment in bonds to be expired within one year	34			Long-term liabilities:			
Total long-term investment	**38**			**Long-term loans**	**101**		
Fixed assets				**Bonds payable**	**102**		
Fixed assets,at cost	39	25,319.20	25,319.20	Long-term accounts payable	103		
Less:Accumulated depreciation	40	24,701.55	25,319.20	Specific payable	106		
Fixed assets, net value	41	617.65	0.00	Other long-term liabilities	108		
Less:Provision for devaluation of fixed assets	42			Total long-term liabilities	110		
Fixed assets, net amount	43	617.65	0.00	Deferred taxation:			
Construction materials	44			Deferred tax, credit	111		
Construction in progress	45			Total liabilities	114	5,50,767.55	5,74,205.29
Disposal of fixed assets	46						
Total fixed assets	**50**	**617.65**	**0.00**	**Shareholders' Equity:**			
Intangible and other assets:				Share capital	115	34,41,546.02	34,41,546.02
intangible assets	51			Less:Investment Returned	116		
Long-term deferred expenses	52			Paid-up capital (stock)	117	34,41,546.02	34,41,546.02
Other deferred expenses	53			Capital reserve fund	118	12,639.68	12,639.68
Total intangible and other assets	**60**			**Surplus reserve fund**	**119**		
				Including: Staff welfare fund	120		
Deferred taxation:				Undistributed profit	121	-19,67,540.20	-18,88,846.96
Deferred taxation, debit	61			Shareholders' Equity:	122	14,86,645.50	15,65,338.74
Total Assets	**67**	**20,37,413.05**	**21,39,544.03**	**Total Liabilities and Shareholders' Equity**	**135**	**20,37,413.05**	**21,39,544.03**

INCOME STATEMENT(FOR THE YEAR 2014)

Prepared by Tech Mahindra (Beijing) IT Services Ltd

			RMB Yuan
Item	**No.**	**Last year cumulative**	**Current year cumulative**
1. Principal operating revenues	1	18,79,228.33	**15,59,361.08**
Less:operating cost	4	2,40,627.19	**22,640.78**
operating tax and subsidies	5	6,765.20	**5,613.73**
2. Principal operating profit	10	16,31,835.94	**15,31,106.57**
Add:Other operating profit	11		
Less:Operating expense	14	10,00,646.53	**9,79,718.66**
Administration expense	15	4,80,842.06	**4,79,997.09**
Financial expense	16	24,718.20	**-9,969.09**
3. Operating profit	18	1,25,629.15	**81,359.91**
Add:Investment income	19		
Subsidy income	22		
Non-operating income	23		
Less:Non-operating expense	25		**2,666.67**
4. Total profit	27	1,25,629.15	**78,693.24**
Less:Income tax payable	28		
5. Net profit	30	1,25,629.15	**78,693.24**
6. Net profit	48	1,25,629.15	**78,693.24**
plus i) Beginning balance of Retained Earnings	49	-20,93,169.35	**-19,67,540.20**
ii) Surplus to compensate for loss	50		
iii) Other adjustment factor	51		
7. Profit available for distribution	52	-19,67,540.20	**-18,88,846.96**
Less: i) statutory surplus reserve	53		
ii) The statutory public welfare fund	54		
iii) Staff bonus and welfare fund	55		
iv) Withdrawal reserve fund	56		
v) Appropriation of Enterprise Expansion Fund	57		
vi) Profit capitalized on return of investment	58		
vii) Supplementary current capital	59		
viii) Single retained profit	60		
ix) Other	61		
8. Distributable profit for investors	62	-19,67,540.20	**-18,88,846.96**
Less: i) Dividend payable on preferred stock	63		
i) Discretionary surplus reserve	64		

INCOME STATEMENT(FOR THE YEAR 2014) (Contd.)

			RMB Yuan
Item	**No.**	**Last year cumulative**	**Current year cumulative**
iii) Common stock dividends payable (profits payable)	65		
iv) Transferred to capital (capital stock) common stock dividend	66		
v) Other	67		
9. Undistributed profits	68	-19,67,540.20	**-18,88,846.96**
Aong which : Annual pre-tax profits after irreparable loss.	69		
Supplementary information	70		
i) sale, disposal or investment sector units proceeds	71		
ii) the loss of natural disasters (loss to "+" to fill a column)	72		
iii) changes in accounting policies influence the profit total amount	73		
iv) change in accounting estimate affects the profit total amount	74		
v) debt recombination losses (loss to "+" to fill a column)	75		
vi) other non-recurring gains and losses (gains with "+" to fill a column)	76		

		RMB Yuan
Items	**No.**	**Amount**
1. Cash flows from operating activities		
Cash inflow from sale of goods and provision of services	1	**23,77,041.10**
Repayment of tax received	3	
Other cash inflow relating to operating activities	8	
Total cash inflow	9	**23,77,041.10**
Payments for purchase of goods and receipt of services	10	
Payments to and for staff	12	**5,12,340.00**
Taxation paid	13	**1,99,257.59**
Other Payments relating to operating activities	18	**10,10,106.24**
Total cash outflow	20	**17,21,703.83**
Net cash inflow/outflow generated from operations	21	**6,55,337.27**
2. Cash flow from investing activities		
Cash inflow from retirement of investment	22	
Cash inflow from profit of investment	23	
Cash gain of disposal of fixed assets, intangible assets, and other long-term investment	25	
Other proceeds relating to investment activities	28	
Total cash inflow	29	
Purchase of fixed assets, intangible assets and other long-term assets	30	
Cash paid for investment	31	
Other cash paid relating to investment activities	35	
Total cash outflow	36	**-**
Net cash inflow/outflow generated from investment activities	37	**-**
3. Cash flows from financing activities:		
Absorption of investment	38	
Borrowings raised	40	
Other cash inflow relating to financing activities	43	
Total cash inflow	44	**-**
Borrowings repaid	45	
Dividend, interest and profit paid	46	
Other cash outflow relating to financing activities	52	
Total cash outflow	53	
Net cash inflow/outflow generated from financing activities	54	**-**
4. Influence of fluctuation of echange rate	55	
5. Net increase in cash and cash equivalents	56	**6,55,337.27**

Supplementary information	No.	Amount
1. Adjustment of net profit to cash flows generated from operations:		
Net profit	57	**78,693.24**
Add:Provision for devaluation of assets	58	
Depreciation of fixed assets	59	**617.65**
Amortization of intangible assets	60	
Amortization of long-term expense	61	
Decrease of deferred expenses (Less: increase)	64	
Increase of pre-paid expense (Less: decrease)	65	
Loss on disposal of fixed assets, intangible assets and other long-term assets (less: gain)	66	
Loss on retirement of fixed assets	67	
Financial expense	68	
Investment loss (less:investment gain)	69	
Deferred tax, credit (less: debit)	70	
Decrease of inventories (less: increase)	71	
Decrease of receivables in operations (less: increase)	72	**5,52,588.64**
Increase of payables in operations (less: decrease)	73	**23,437.74**
Others	74	**-**
Net cash inflow/outflow generated from operations	75	**6,55,337.27**
2. Investing and financing activities not relating to cash flows		
Capital transferred from liabilities	76	
Transferable bonds to be expired within one year	77	
Fixed assets transferred from financing activities	78	
3. Net increase in cash and cash equivalents		
Cash and bank balances at end of period	79	**14,27,188.11**
Less: Cash and bank balances at beginning of period	80	**7,71,850.84**
Cash equivalent at end of period	81	**-**
Less: Cash equivalent at beginning of period	82	**-**
Net increase in cash and cash equivalents	83	**6,55,337.27**

Notes to financial statements 31 Dec. 2014

(The currency are presented in RMB except otherwise stated)

I. The Company's General Profile

As a wholly foreign-owned enterprises, Tech Mahidra (Beijing) IT Services Limited was invested and established by Tech Mahindra. The Company was approved to be established by Beijing Municipal Government according to policy document SWZJZZ[2007] No.05422, obtained Enterprise's Legal Person Registration in the Industry and Commerce Administration Bureau of Beijing on Sep.24, 2007 with the Business License QDJZZ No.0535505.The registered capital of the company is US$500,000.00. The Company's registered address is C-2925,29th Floor, ZhongHuanShiMao Building,No.A6 JianGuoMenWai Street, Chaoyang District, Beijing. Legal representative: Mr. Jagdish Mitra.

Scope of Business: Technical services, technical advice, design, development, production and computer networking, telecommunications and electronic technology-related applications; product sales of assets.

II. Basis of Preparation

According to ASBE (Accounting Standards for Business Enterprise) and Enterprise Accounting System issued by the Ministry of Finance of PRC, make confirmation and measurement and formulate financial statement on this basis.

III. Compliance of Accounting Standards of Business Enterprises

The financial statements prepared by the Company are subject to requirements from the Accounting Standards and present fairly the Company's financial position, operation results, cash flow and other related information.

IV. Significant Accounting Policies and Accounting Estimates

1. Accounting period

The accounting period of the Company is from 1 January to 31 December.

2. Book-keeping Currency

The company's financial records and the financial statements are stated in Renminbi.

3. Principles of accounting and measurement (Measurement attribute)

The Company uses the accrual method as its basis of accounting. All assets are measured at history cost, except for financial assets for trading and financial assets available-for-sale which are measured at fair value.

4. Foreign exchange translation

The foreign currency running business involved in the accounting year of this company shall be converted into RMB for bookkeeping in accordance with the market exchange rate (middle rate) of actual occurring date of business. The ending balance of foreign currency of the account of all foreign currencies shall be adjusted by converting as standard money as per the year-ending market exchange rate. The balance occurred shall be counted as exchange gain or loss.

As for the subcompanies taking foreign currency as bookkeeping recording base money, the All the assets and items of liabilities when formulating the current-year RMB financial statements shall be converted as the bookkeeping standard money of the parent company in line with the **m**arket exchange rate on the day of consolidated financial statements.

All the owner's equity items except "Undistributed Profit" shall be converted as the standard money of the parent company in line with the **m**arket exchange rate on the day.

Items of profits and losses and items of the related amount incurred in the profit distributed table shall be converted as the standard money of the parent company as per the average exchange rate during the consolidated financial statements

Items of income and fees in cash flow statements shall be converted as the standard money of the parent company as per the average exchange rate during the consolidated financial statements

The increased and decreased items related to long-term liabilities, long-term investment, fixed assets, deferred assets and intangible assets shall be converted as the bookkeeping standard money of the parent company as per the average exchange rate of the consolidated financial statements on final settlement day. Items of net increases amount related to assets shall be converted into the bookkeeping standard money the parent company as per the exchange rate when occurring. The settlement differences produced due to different exchange rate shall be reflected in the items of conversion balance of foreign currency statements.

5. Recognition of Cash and cash equivalents

5.1 Cash in the cash flow statement indicates the cash on hand and the deposit in bank available for a payment at any time.

5.2 Cash equivalents in the cash flow statement are short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of value change.

6. Business accounting methods of short-term investment

Short-term investment refers to the investment which was bought by the company, converted into cash and the holding time shall not be more than one year, including stocks, securities and fund.

Short-term investment shall be actual cost evaluation after getting, that is, the cash dividends deducting from the actual paid cost, declared but not got, or interests due the payment date and not got.

When disposing short-term investment, confirm the balance between the received disposal income and short-term book value as the investment income of the current period.

At the end of period, make valuation as per the lower one of cost and market price. The balance which the market price is lower than the cost shall be prepared in line with the short-term investment depreciation of single-item accrual. If the market price rises in the succeeding year, it shall be transferred back within the amount form the confirmed investment loss.

7. Accounting Methods of Bad Debt

7.1 Standards confirming accounts payables as bad debt

i) The debtor has been dead. After the heritage is paid off, the debt can still be taken back.

ii) The debtor goes bankruptcy. After the bankruptcy property is paid off, the debt can still be taken back.

iii) The debtor has not fulfilled the liabilities payment in a long period and there is enough evidence to prove it impossible or very little possibility to take back.

7.2 The accounting methods of this company's bad debt adopt allowance method. The counting and drawing method of bad debt preparation adopts single-item specific identification method. Confirm the bad debt preparation for counting and drawing as per customers respectively.

8. Inventory Accounting Method

Classification of inventory: the inventory of this company includes the raw materials stored for sales or consumption during the production and management process, inventory goods, finished products, goods in process (in research), entrusted processing materials, outsourcing semi-finished products, low priced and easily worn articles and wrappage, etc.

Valuation method of getting and issuing: the raw materials, entrusted processing materials, goods in process (in research) shall be valued as per the actual cost. The sent raw materials and goods in process (in research) shall be valued as per the method of weighted mean.

Amortization method of low priced and easily worn articles and wrappage: low priced and easily worn articles shall be amortized through once write-off method according to the actual conditions when receiving.

Inventory system of stock: the stock method of this company's inventory quantity is perpetual inventory system.

The confirmation standard and counting and drawing method of inventory falling price reserves: adopt the valuation principle of "the lower one of book cost and net realizable value" at the end of period. Principally, accrue the inventory falling price reserves according to the balance of single-item net realizable value lower than the cost. Net realization value is determined by deducting the estimated cost, estimated selling expenses and the related taxes when completion from the estimated selling price of inventory.

Accrue inventory falling price reserves in the case of following conditions:

A. Market price continues to fall and may not rise in the foreseeable future.

B. The product cost of using the raw materials production is greater than the selling price of the products.

C. Due to product upgrade, the original inventory materials fail to meet the requirement of new products. The market price of the original materials is lower than the book value.

D. The outmoded products and service supply or change of consumers' preference makes the market's requirement changed, causing the market price gradually fall.

E. Other cases proving the inventory decrease in value

In the case of next item or some other items, transfer the book value of inventory to the profits and losses of current period completely. Write off it once.

i) Inventory already mildewed and rotten

ii) Inventory dated and no transferring value

iii) Inventory not required in production, without using value and transferring value.

iv) Other inventory proven without using value and transferring value.

9. Long-term investment accounting method

9.1 Long-term equity investment

i) Investment of stocks

The actually paid total amount shall be calculated into the cost for what purchases stocks in monetary capital in this company. If the actually-paid amount includes the declared issued dividend, then take the net amount deducting the declared issued dividend from actually paid amount as the initial investment cost. In case of converting into shares in the form of material object and intangible assets take the value of agreed agreement and contract and confirmed value after assets appraisal as the cost.

ii) Other equity investment

The part investing in the form of monetary capital shall be converted into the cost as per the actually paid amount. The investment cost of long-term equity got by deserting non-cash assets shall be determined by the book value of deserted non-cash assets adding related payable taxes and fees.

iii) Determining method of income

If adopting cost method accounting, determine the investment income when the invested unit declares issuing cash dividends; if adopting equity method, determine the investment income in accordance with the shared invested unit's realized net profits or incurred net losses at every accounting period end. Adjust the book value of long-term equity investment.

As for the stock investment or other equity investment, if parent company holds the capital sum of the invested unit with voting right less than 20%, or though holding the capital sum of the invested unit with voting right more than 20% and without significant impact, account as per the cost method.

If parent company holds the capital sum of the invested unit with voting right more than 20%, or less than 20% but with significant impact, count as per the equity method.

If parent company holds the capital sum of the invested unit with voting right more than 50%, or less than 50% but with actually-controlled subcompanies, count as per the equity method and combined financial statements.

9.2 Long-term equity investment

i) Confirming method of cost

Take the balance after deducting the paid taxes, commission charge and other additional expenses, and paid counted interests from issuance to purchase in line with the actually paid amount as the actual cost. Take the balance of actual cost and securities book value as the premium or discounted amount. The premium or discounted amount of securities shall be amortized when confirming the income of the related securities interest during the securities continual period. The method of amortization is straight line method.

ii) Confirming method of income

Equity investment shall be collected interests counting as per period. The counted equity investment interest income after adjusting the premium of equity investment and amortization of discounted price shall be confirmed as the current period investment income. Other receivable interests of other equity investment counted as period shall be confirmed as the investment income of the current period.

(1) Confirming standards and counting and drawing methods of the depreciation preparation of long-term investment

Count and draw the depreciation preparation for the long-term investment with market value in case of the following conditions.

i) Market price has been lower than the account value for consecutive two years;

ii) The investment has been suspended for transaction over 1 year.

iii) The invested unit is under heavy loss in that year;

iv) The invested unit has been under heavy loss for consecutive two years;

v) The invested unit has been liquidated, rectified and cleared. Or unsustainable running conditions occur.

(2) Confirming standards and counting and drawing methods of the depreciation preparation of long-term investment

i) Political and legal environmental change affecting the management of invested unit

ii) The market requirement changes due to the outmoded products or changed consumer's preference of the provided goods or service of the invested unit so that the financial status of the invested unit aggravates heavily.

iii) The producing technology of the invested unit's industry changes so greatly that the invested unit loses its competitiveness and its financial status aggravates heavily.

iv) Evidence indicates that there are other cases in which this item of investment cannot bring forth economic interest for the enterprise virtually.

If the above-mentioned conditions cause the recoverable amount of long-term investment is lower than the book value and the lowered value cannot be restored within the foreseeable future period, count and draw the depreciation reserves of long-term investment in line with the balance of the recoverable amount lower than the book value of long-term investment. First, offset the capital reserve item of the investment. The balance which cannot be offsetted shall be confirmed as the current profits and losses. What the value with long-term investment with confirmed loss can be recovered shall be transferred back within the amount of originally confirmed investment loss.

10. Evaluation of entrusted loan, interests confirming methods and confirming standards and accrual methods of depreciation reserves of entrusted loans

10.1 Evaluation of entrusted loan

The entrusted loan of this company shall be recorded into the account as per the amount of the actual entrusted loan initially and count and draw interests in each period, counting into profits and losses. That is to say, at each counting period end, count and draw the receivable interests as per the regulated interest rate to increase the book value of entrusted loan correspondingly.

10.2 Confirming method of interest

If the accrual interest cannot be taken back on schedule, stop accrual interest and offset the accrued interest.

10.3 Confirming methods and counting and drawing methods of entrusted loan deprecation reserves

Thoroughly check the entrusted loan principal at the period end. If evidence shows that the entrusted loan principals is higher than the recoverable amount, then count and draw the corresponding deprecation reserves and offset the investment income by accrued deprecation reserves.

11. Fixed Assets

11.1 Recognition of fixed assets

Fixed assets are defined as the tangible assets which are held for the purpose of producing goods, rendering services, leasing for operation & management. The useful life of fixed assets is more than one year. In the meanwhile meet the following conditions to confirm the fixed assets:

i) And the fixed assets related to the economic benefits are likely to flow into the enterprise.

ii) The cost of the fixed asset can be measured reliably.

11.2 Classification of fixed assets

The company fixed assets is divided into buildings and structures, machinery and equipment, transportation tools, land, office equipment, and other equipment.

11.3 Measurement of fixed assets

Fixed assets are recorded at actual cost. Cost of purchased fixed asset includes purchase price, customs and duty on importing and all related cost on making fixed asset available for use.

11.4 Method of depreciation

The depreciation of fixed assets is calculated by straight-line method based on useful lives of assets. Useful lives are:

Categories	Useful lives（year）
Electronic equipment	5

12. Projects under construction

12.1 The projects under construction of this company shall be counted respectively according to the project items, including advance-phrase preparation before construction, architectural engineering under construction, erecting engineering, technological transformation engineering and overhaul engineering. Determine the engineering cost according to the actually incurred payment.

12.2 Standards of projects under construction transferring as fixed assets

Starting from the date the projects under construction reach the usable state, transfer as fixed assets according to the engineering budget, cost of construction or engineering actual cost. The estimated part which has not been transacted final settlement of works completion transfers as the fixed assets. Count and draw the depreciation of fixed assets in accordance with the regulations of accrual fixed assets depreciation and stop capitalization of interest.

12.3 Confirming methods and accrual methods of the depreciation reserves of the project under construction

Thoroughly check the projects under construction of the company at the period end. In the case of the one or variant conditions as follows, count and draw the project under construction deprecation reserves as per the balance of recoverable amount less than the book value.

(1) The project is suspended for a long time and will not restart within the coming three years;

(2) The building project is backward in terms of performance and technology. It will cause substantial uncertainty to the economic interest for the enterprise.

(3) Other cases proving that the project under construction decreases in value.

13. Intangible Assets

13.1 Definition and recognition of intangible assets

The intangible assets of the Company including purchased software etc. Intangible asset is recorded at its original actual cost at acquisition. The cost of purchased intangible assets includes the actual purchase price and other necessary expenditures for purchase. The cost of intangible assets invested by investors is measured at the contract or agreement, except for those with unfair value in the contract or agreement.

13.2 Amortisation of intangible asset

Intangible assets are amortized on the basis of shorter of estimated useful life, stipulated beneficial year by contract, and legal available year. The amortization amount is accounted into the cost of related assets or current profit and loss according to the beneficial items.

The Company makes the assessment on the estimated useful life and amortization method of intangible assets with limited useful life at the end of each year and makes adjustment if needed. The Company assesses the estimated useful life of intangible assets with uncertain useful life during each accounting period. If there are evidences to prove the useful life of intangible assets is limited, the Company will estimate their useful life and amortize the intangible assets within the estimated lifetime.

14. Long-term deferred expenses

Long-term deferred expenses are general expenses which are paid by the amortization period is over 1 year (excluding 1year).

Except purchasing and building fixed assets, the cost occurring in the preparing period, shall be transferred into the profits and losses of the current month of starting production and operation since that month. If some long-term deferred expense item of book value can't gain profits in the future accounting period, the rest value of unamortized value shall be transferred into the current profits and losses.

15. Borrowing costs

15.1 Confirming principles of borrowing costs

Where the borrowing costs meet the following conditions, capitalization can start.

(1) Assets payment has occurred

(2) Borrowing costs have been produced

(3) Necessary purchasing and constructing activities have started to make assets be the expected usable and sellable state.

15.2 Capitalization period of borrowing cots

Capitalization period refers to the period from the time point of starting capitalization of borrowing costs to the time point of stopping capitalization, excluding the period suspending the capitalization of borrowing costs. Other borrowing interest, the amortization and exchange balance of value discounting and premium shall be counted into the current profits and losses.

15.3 The counting method of the capitalization amount of borrowing costs.

The interest capitalization amount during every accounting period shall be determined by the accumulated payment weighted average and capitalization rate of structuring fixed assets at the current period end, but the amortized capitalization amount of interest, value discounting and premium shall not exceed the interest actually occurring at the current special borrowings and the amortized amount of value discounting and premium.

16. Estimated liabilities

16.1 Confirming principles of estimated liabilities

If the obligations related to contingency meet the following conditions at the same time, this company will confirm it as liabilities.

(1) The obligation is the current obligation shouldered by the enterprise;

(2) The obligation fulfillment may cause economic interest outflowing the enterprise.

(3) The amount of the obligations can be reliably counted.

16.2 Counting method of estimated liabilities

Confirming the estimated liabilities amount is the best estimate of payment requiring paying off to liabilities. If the required payment has a scope of amount, then the best estimate shall be confirmed by the average number of the upper and floor amount. If the required payment has a scope of amount, then the best estimate can be determined by the following methods.

(1) When contingency involves a single item, the best estimate shall be determined by the amount the most likely to occur;

(2) When contingency involves several single items, the best estimate shall be determined by the amount incurred possibly and the probability of occurrence.

The required payment of confirmed liabilities shall be completely or partially offsetted by the third party or other parties. When the offset amount is basically confirmed to be received, it can be confirmed separately as assets. The confirmed offset amount shall not exceed the book value of confirmed liabilities.

17. Income

The company confirms the realization of the business revenue as per the following regulations, keeps accounts as per the realized income and records into the current profits and losses.

17.1 Confirming principles and methods of goods sales income

This company has transferred the major risks and remuneration of the property in the goods to the goods purchasing party. The company shall not continue to adopt management right and actual control right to the goods again. The related revenue has received or got the evidence of collection. When it can be reliably counted with the cost related to sell the goods, confirm the realization of the business revenue.

17.2 Confirming principles and methods of providing service revenue

Providing services is to confirm the related service revenue as per the Percentage-of-completion Method. When confirming the service revenue, take the premises of reliably confirming the total income of services contract and completion degree of services, smooth inflow of the price and amount related to transactions and reliably counting the occurred cost and required cost to complete the services.

17.3 Provide the receivable using fees income for others to use the intangible assets of this enterprise. Confirm the realization of business revenue according to the charging time and methods regulated by the related contracts and agreements.

18. Revenue of construction contract

18.1 Confirming principles of construction contract revenue

(1) Adopt once settlement for completion to confirm the income for the projects starting and ending within a same year. And the following conditions must be met simultaneously.

i) Sign the project award contract and definitely regulate the settlement way and price amount of project price;

ii) This Company has got the confirmation report related to the project progress of settlement time point issued by the project contracting party or supervising department.

iii) The income (project final payment like project quality margin) which cannot be confirmed for realization shall not be confirmed at the current period. It can be confirmed after actually receiving it.

iv) The income exceeding the contract settlement price must be granted the certificate signing materials signed and sealed by the contract awarding units.

(2) Cross-year construction items shall be generally confirmed the income separately as per the project image progress and meet the following conditions simultaneously. \

i) Sign a project contracting agreement. Where the contract agreement has regulated the project price settlement method and price amount, it shall be confirmed the income as per the project progress percentage. Where the contract does not regulate the total project price amount and settles the income as per the construction quota, the enterprise must formulate the construction drawing budget as per the project settlement progress. Formulate the project pre-settlement statement accordingly and make it as the basis of confirming income.

ii) This Company has got the confirmation report about the project progress related the project settlement time point issued by the project contract awarding unit or the supervising unit.

iii) The income (project final payment like project quality margin) which cannot be confirmed for realization shall not be confirmed at the current period. It can be confirmed after actually receiving it.

19. Accounting Disposal Method of Income Tax

Accounting disposal method of the company's income tax adopts taxes payable method. Confirm the method of current income taxes and fees according to the payable income tax counted at the current period.

The income tax of this company shall be prepaid by season and paid off at the end of year.

V. Accounting policies, changes in accounting estimates, a major early correction of errors and other matters adjustment is described

VI. Taxation

1. The company mainly taxes and tax rates

Principal Taxation	The statutory tax rate	Preferential tax policy
Business Tax	5%	-
Urban construction and maintenance tax	7%	-
Corporate Income Tax	25%	-
education fee	3%	-
Local education fee	2%	-

VII. Main Notes to the Financial Statements

1. Monetary funds

Item	Ending balance	Beginning balance
Cash on hand	**-**	0.00
In which: RMB	**-**	0.00
Cash in bank	**1,427,188.11**	771,850.84
In which: RMB	**1,427,177.47**	771,840.23
Dollar	**10.64**	10.61
Other monetary funds	**-**	-
Total	**1,427,188.11**	771,850.84

2. Accounts receivable

Item	Ending balance		Beginning balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
In 1 years ((Included 1 years)	**695,400.16**	**-**	1,247,988.80	-
1-2 years (Included (2 years)	**-**	**-**	-	-
2-3 years ((Included 3 years)	**-**	**-**	-	-
More than 3 years	**-**	**-**	-	-
Total	**695,400.16**	**-**	1,247,988.80	-

3. Other Receivable

Item	Ending balance		Beginning balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
In 1 years ((Included 1 years)	**3,405.76**	**-**	3,405.76	-
1-2 years (Included (2 years)	**-**	**-**	-	-
2-3 years ((Included 3 years)	**-**	**-**	-	-
More than 3 years	**-**	**-**	-	-
Total	**3,405.76**	**-**	3,405.76	-

4. Prepayments

Item	Ending balance	Beginning balance
In 1 years ((Included 1 years)	**13,550.00**	13,550.00
1-2 years (Included (2 years)	**-**	-
2-3 years ((Included 3 years)	**-**	-
More than 3 years	**-**	-
Total	**13,550.00**	13,550.00

5. Fixed Assets

Item	Beginning balance	Current period Increases	Current period Decreases	Ending balance
1. Original Cost	**25,319.20**	**-**	-	25,319.20
Electronic equipment	**25,319.20**	**-**	-	25,319.20
2. Accumulated a mortisation	**24,701.55**	**617.65**	-	25,319.20
Electronic equipment	**24,701.55**	**617.65**	-	25,319.20
3. Impairment provision		**-**	-	-
Electronic equipment		**-**	-	-
4. Net book value	**617.65**	**-**	-	0.00
Electronic equipment	**617.65**	**-**	-	0.00

6. Accounts Payable

Item	Ending balance	Beginning balance
In 1 years ((Included 1 years)	540,041.25	517,400.19
1-2 years (Included (2 years)	-	-
2-3 years ((Included 3 years)	-	-
More than 3 years	-	-
Total	**540,041.25**	**517,400.19**

7. Wages and salaries unpaid

Item	Beginning balance	Current period Increases	Current period Decreases	Ending balance
Wages,bonuses,allowances and subsidies	-	512,340.00	512,340.00	-
2. Employee benefit expenses	-	-	-	-
Total	-	512,340.00	512,340.00	-

8. Tax unpaid

Item	Beginning balance	This year should pay	This year has been submitted	Ending balance
Business Tax	-	-	-	-
Value added tax	4,519.72	46,780.82	46,069.26	5,231.28
Personal income tax	12,305.00	147,660.00	147,660.00	12,305.00
Urban construction and maintenance tax	316.38	3,274.67	3,071.25	519.80
Education surcharge	225.98	2,339.06	2,457.08	107.96
Total	17,367.08	200,054.55	199,257.59	18,164.04

9. Other outstanding payments

Item	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Provision (%)
In 1 years (1 years)	16,000.00	100.00	16,000.28	100.00
1-2 years (2 years)	-	-	-	-
2-3 years (3 years)	-	-	-	-
More than 3 years	-	-	-	-
Total	16,000.00	100.00	16,000.28	100.00

10. Paid- in capital

Investor Name	Beginning balance		Current period Increases	Current period Decreases	Ending balance	
	Amount of investment	Proportion (%)			Amount of investment	Proportion (%)
Total	3,441,546.02	100.00	-	-	3,441,546.02	100.00
India horse hengda technology Co., LTD	3,441,546.02	100.00	-	-	3,441,546.02	100.00

11. Capital reserve fund

Item	Beginning balance	Current period Increases	Current period Decreases	Ending balance
Share premium	12,639.68	-	-	12,639.68
Other Capital reserve fund	-	-	-	-
Total	12,639.68	-	-	12,639.68

12. Undistributed profit

Item	Amount of this year	Amount of last year
Opening balance	-1,967,540.20	-2,093,169.35
Current period Additions	78,693.24	125,629.15
Including: Transfer of net profits of this year	78,693.24	125,629.15
Other adjusting factors	-	-

Item	Amount of this year	Amount of last year
Current period Disposals	**-**	-
Including:accrued surplus reserves of this year	**-**	-
Accrued general risks reserve of this year	**-**	-
Distributed cash dividend of this year	**-**	-
Transfer increased capita	**-**	-
Other decreased items	**-**	-
Closing balance	**-1,888,846.96**	-1,967,540.20

12. operating revenues and operating cost

Items	Current year cumulative		Last year cumulative	
	Operating Revenues	Operating Cost	Operating Revenues	Operating Cost
1. Subtotal of main businesses	**1,559,361.08**	**22,640.78**	1,879,228.33	240,627.19
Income of main businesses	**1,559,361.08**	**22,640.78**	1,879,228.33	240,627.19
2. Subtotal of other businesses	**-**	**-**	-	-
Income of other businesses	**-**	**-**	-	-
Total	**1,559,361.08**	**22,640.78**	1,879,228.33	240,627.19

13. Non-operating expense

Item	Current year cumulative	Last year cumulative
Fines spending	**0.37**	
donation outlay	**2,666.30**	
Total	**2,666.67**	

VIII. Contingent Events

Without the contingent event this year.

IX. Events after the balance sheet date

Without the need for disclosure of events after the balance sheet date this year.

X. Related Party and Transactions

Without the related party and transactions this year.

XI. The transfer and sale of important assets

The year without the significant transfers of assets and sell.

XII. Enterprise merger, spin-off items

Without a merger, division and other matters this year.

XIII. Exchange of non-monetary assets and debt restructuring

This year only monetary assets exchange and debt restructuring.

XIV. Other significant matters

No other significant matters required to explain this year.

XV. Financial statements for approval

The annual financial statements have been approved by the board of directors of the company.

XVI. Other contents to be disclosed as per the related financial accounting and system

Other contents requiring no disclosure this year.

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

April 8, 2015

Foreign rights and interests of foreign-invested enterprises confirmation form audit report

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED:

We have audited the accompanying Tech Mahindra (Beijing) IT Services Ltd (hereinafter referred to as the Company) 2014 year foreign-invested enterprises the foreign interests confirmation table. In accordance with the relevant provisions of the foreign exchange management, true and complete preparation of foreign-invested enterprises in foreign interests confirmation form is the responsibility of the Company's management. While our responsibility is to perform the audit work on the basis of the foreign interests of foreign-invested enterprises confirmation form whether in all material respects, in accordance with the relevant requirements of the national foreign exchange management audit conclusions. We are not provide assurance to the Company's foreign exchange balance behavior compliance.

We perform the audit work in accordance with the "foreign-invested enterprises by the Chinese Institute of CPAs guidance" which developed by the Chinese Institute of CPAs. In the audit process, we ask to check the records and documents, recalculations and other procedures as we considered necessary. We believe that our audit provides a reasonable basis for the audit conclusions.

We believe that the the foreign interests confirmation table of the foreign-invested enterprises in all material respects comply with the requirements of the national foreign exchange management.

This report is intended for your confirmation form submitted to the foreign interests of foreign-invested enterprises to the national foreign exchange management departments, and may not be used for any other purpose.

Beijing Zhong Sheng Jia Hua Certified Public Accountants Co.,Ltd
Beijing China

Chinese Institute of Certified Public Accountant:Wu Bo
Chinese Institute of Certified Public Accountant:Liu zhiying

April 12, 2015

Foreign Rights and Interests of Foreign-invested Enterprises Confirmation Form

Prepared by : TECH MAHINDRA (BEIJING) IT SERVICES LIMITED Fill time: April 8, 2015 Fill time: April 8, 2015

Organization Code : 66690378-3	**Unit : RMB Yuan**	
Indicators	**Beginning**	**Ending**
1. The actual investment of the foreign investor	3,441,546.02	3,441,546.02
Of which: foreign real to the registered capital	3,441,546.02	3,441,546.02
2. Amount of reserve and retained earnings of foreign enjoyed	-1,954,900.52	-1,876,207.28
2.1 Capital reserve	12,639.68	12,639.68
2.2 Surplus reserve		
2.3 Undistributed profit	-1,967,540.20	-1,888,846.96
3. Foreign dividend that allocated but not yet exported outside		
4. Foreign currency account balances (Including regular items and capital items)	10.61	10.64

Note

1. This year has been to export the amount of foreign profits is: 0.00Yuan.
2. The external guarantees new adding amount is 0.00 U.S.dollars this year, reducing amount of the guarantee is 0.00 U.S. dollars, year-end balance is $ 0.00.

TECH MAHINDRA (BAHRAIN) LTD S.P.C.

Board of Directors

Mr. Milind Kulkarni

Mr. Chillara Krishnadas

Mr. Anil Khatri

Registered Office

Flat no 1126, Building 722

Road 1708, Block 317

Diplomatic Area, Manama,

Kingdom of Bahrain

Bankers

Ahli United Bank B.S.C.

HSBC Middle East Limited

Auditors

Grant Thornton – Abdulaal

Directors' report

The Board of Directors of Tech Mahindra (Bahrain) Ltd. S.P.C. (the "Company") has great pleasure in presenting the annual report and the audited financial statements of the Company for the year ended 31 March 2015.

Principal activities

The Company is engaged in the activities of computers support, power supply system and spare parts, supply and installation of computer mounts, computer software design, development and maintenance, internal wiring for computer communications networks and their maintenance, consultant for computer hardware and software, installation and maintenance of computers energy supply systems.

Financial Highlights

The total income of the Company for the year ended 31 March 2015 was BD 370,400 as compared to previous year's income of BD 3,040,446. The Company has reported a profit of BD 12,627 for the year ended 31 March 2015 as compared to profit of BD 63,784 for the year ended 31 March 2014.

Directors and Management

The following served as Directors and were in charge of the Management of the Company during the year ended 31 March 2015.

Mr. Milind Vasant Kulkarni - Director

Mr. Anil Mohanlal Khatri - Director

Auditors

The financial statements have been audited by Grant Thornton - Abdulaal who have expressed their willingness and considered themselves eligible for appointment.

The Directors take this opportunity to place on record their sincere appreciation to the staff for their loyalty and dedication, which has greatly helped to maintain the reputation and results of the Company.

On behalf of the Board of Directors.

22 April 2015
Manama, Kingdom of Bahrain

Mr. Milind Vasant Kulkarni
Director

Independent Auditors' Report

To the Proprietor of
Tech Mahindra (Bahrain) Ltd. S.P.C.

Report on Financial Statements

We have audited the accompanying financial statements of Tech Mahindra (Bahrain) Ltd. S.P.C. (the "Company") which comprise the statement of financial position as at 31 March 2015, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Further, in accordance with the requirements of the Bahrain Commercial Companies Law, we report that we have obtained all the information that we considered necessary for the purpose of our audit, the financial information contained in the report of the Board of Directors is consistent with the financial statements, the Company has maintained proper books of accounts, and nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Bahrain Commercial Companies Law or its Memorandum and Articles of Associations which would materially affect its activities or its financial position.

Grand Thornton - Abdulaal
Partner's Registration No. 131

22 April 2015
Manama, Kingdom of Bahrain

Statement of Financial Position

	Notes	31 March 2015 BD	31 March 2014 BD
Assets			
Non-current assets			
Plant and equipment	3	**-**	-
Current assets			
Accounts and other receivables	4	**244,644**	874,267
Amount due from related party	5	**39,979**	-
Cash and cash equivalents	6	**862,099**	440,949
		1,146,722	1,315,216
Total assets		**1,146,722**	1,315,216
Equity and Liabilities			
Equity			
Share capital	10	**50,000**	50,000
Statutory reserve	11	**25,000**	25,000
Retained earnings		**910,140**	897,513
		985,140	972,513
Liabilities			
Non-current liability			
Employees' terminal benefits	9	**12,248**	26,397
Current liabilities			
Accounts and other payables	7	**149,334**	187,559
Amount due to related party	8	**-**	128,747
		149,334	316,306
Total liabilities		**161,582**	342,703
Total equity and liabilities		**1,146,722**	1,315,216

These financial statements were approved and signed by the Directors on 22 April 2015.

Mr. Milind Vasant Kulkarni
Director

Mr. Anil Mohanlal Khatri
Director

The accounting policies and the notes from pages herein form an integral part of these financial statements.

Statement of Comprehensive Income

	Notes	Year ended 31 March 2015 BD	Year ended 31 March 2014 BD
Income			
Revenue	12	**370,400**	3,040,446
Expenses			
Direct costs	13	**(200,445)**	(2,848,504)
General and administrative expenses	14	**(49,155)**	(128,158)
Provision for doubtful receivables	4	**(108,173)**	-
		(357,773)	(2,976,662)
Profit for the year transferred to retained earnings		**12,627**	63,784

These financial statements were approved and signed by the Directors on 22 April 2015.

Mr. Milind Vasant Kulkarni
Director

Mr. Anil Mohanlal Khatri
Director

The accounting policies and the notes from pages herein form an integral part of these financial statements.

Statement of Changes in Equity

	Share capital BD	Statutory reserve BD	Retained earnings BD	Total BD
At 1 April 2013	50,000	25,000	833,729	908,729
Profit for the year	-	-	63,784	63,784
At 31 March 2014	50,000	25,000	897,513	972,513
At 1 April 2014	50,000	25,000	897,513	972,513
Profit for the year	-	-	12,627	12,629
At 31 March 2015	**50,000**	**25,000**	**910,140**	**985,142**

The accounting policies and the notes from pages herein form an integral part of these financial statements.

Statement of Cash Flows

	Year ended 31 March 2015 BD	Year ended 31 March 2014 BD
Profit for the year	**12,627**	63,784
Adjustments for:		
Provision for doubtful receivables	**108,173**	-
Provision for employees' terminal benefits	**(14,149)**	(5,999)
Operating profit before working capital changes	**106,651**	57,785
Changes in operating assets and liabilities:		
Change in accounts and other receivables	**521,450**	348,716
Change in amount due from related party	**(39,979)**	-
Change in accounts and other payables	**(38,225)**	(187,526)
Change in amount due to related party	**(128,747)**	(395,383)
Net cash generated from/(used in) operating activities	**421,150**	(176,408)
Net change in cash and cash equivalents	**421,150**	(176,408)
Cash and cash equivalents, beginning of the year	**440,949**	617,357
Cash and cash equivalents, end of the year	**862,099**	440,949
Comprise:		
Bank balances	**371,946**	440,949
Short term deposit	**490,153**	-
	862,099	440,949

The accounting policies and the notes from pages herein form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2015

1. Organisation and activities

Tech Mahindra (Bahrain) Ltd. S.P.C. (the "Company") is a single person company registered in the Kingdom of Bahrain with the Ministry of Industry and Commerce under commercial registration number 73221-1 dated 3 November 2009.

The Company is engaged in the activities of computers support, power supply system and spare parts, supply and installation of computer mounts, computer software design, development and maintenance, internal wiring for computer communications networks and their maintenance, consultant for computer hardware and software, installation and maintenance of computers energy supply systems.

The Company's registered office is situated in the Kingdom of Bahrain.

2. Summary of significant accounting policies

2.1 Basis of preparation

The Company's financial statements have been prepared on basis of historical cost. The Company's financial statements are presented in Bahrain Dinars. All values are rounded to the nearest Bahrain Dinar.

2.2 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and in conformity with the Bahrain Commercial Companies Law.

2.3 New and revised standards that are effective for annual periods beginning on or after 1 April 2014

A number of new and revised standards are effective for annual periods beginning on or after 1 April 2014. Information on these new standards is presented below:

- IAS 32, "Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)" (effective for annual periods beginning on or after 1 January 2014); and,
- IAS 36, "Recoverable amount disclosures for non-financial assets (Amendments to IAS 36)" (effective for annual periods beginning on or after 1 January 2014).

Management does not expect the above standards to have a material effect on the Company's financial position and results of its operations.

2.4 Standards, amendments and interpretations effective and not relevant to the Company

Certain other new standards and interpretations have been issued but are not relevant to the Company and have no material effect on the Company's financial position and its results of operation.

- IFRS 10, IFRS 12 and IAS 27, "Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)" (effective for annual periods beginning on or after 1 January 2014);
- IAS 39, "Novation of derivatives and continuation of hedge accounting (Amendments to IAS 39)" (effective for annual periods beginning on or after 1 January 2014); and,
- IFRIC 21, "Levies" (effective for annual periods beginning on or after 1 January 2014).

2.5 Standards and amendments not yet effective

Certain other new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company.

- IFRS 9, "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018);
- IFRS 10 and IAS 28, "Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (Proposed amendments to IFRS 10 and IAS 28)" (effective for annual periods beginning on or after 1 January 2016);
- IFRS 11, "Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)" (effective from annual periods beginning on or after 1 January 2016);
- IFRS 14, "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016);
- IFRS 15, "Revenue from Contracts with Customers" (effective from annual periods beginning on or after 1 January 2017);
- IAS 16 and IAS 38, "Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)" (effective from annual periods beginning on or after 1 January 2016);
- IAS 16 and IAS 41, "Agriculture: Bearer Plants (Proposed amendments to IAS 16 and IAS 41)" (effective from annual periods beginning on or after 1 January 2016);
- IAS 19, "Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)" (effective from annual periods beginning on or after 1 July 2014);
- IAS 27, "Equity Method in Separate Financial Statements (Proposed amendments to IAS 27)" (effective from annual periods beginning on or after 1 January 2016);

Notes to the financial statements for the year ended 31 March 2015

- Annual improvements 2010-2012 and 2011-2013 cycles (effective from annual periods beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:

  IFRS 1 – First-time Adoption of International Financial Reporting Standards; IFRS 2 – Share-based Payment; IFRS 3 – Business Combinations; IFRS 8 – Operating Segments; IFRS 13 – Fair Value Measurement; IAS 16 'Property, Plant and Equipment'; IAS 38 – Intangible Assets; IAS 24 – Related Party Disclosures; IAS 38 – Intangible Assets and IAS 40 – Investment Property; and,
- Annual improvements 2012-2014 cycle (effective from annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

  IFRS 4 – Non-current Assets Held for Sale and Discontinued Operations; IFRS 7 – Financial Instruments: Disclosures; IAS 19 – Employee Benefits and IAS 34 – Interim Financial Reporting.

Management does not expect the above standards to have a material effect on the Company's financial position and results of its operations.

2.6 Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of the plant and equipment includes the cost of bringing them to their present location and condition. The cost of replacing part of an item of plant and equipment is recognised in carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other costs are recognised in the statement of comprehensive income as expenditure incurred.

Depreciation is recognised on a straight-line basis to write down the cost or valuation less estimated residual value of plant and equipment. The estimated useful lives of plant and equipment for the depreciation purpose are as follows:

Furniture	3 years
Computer equipment	1 year

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within 'other income' or 'other expenses'.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

2.7 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its estimated recoverable amount. Recoverable amount is higher of fair value less cost to sell and value in use. All impairment losses are recognised in the statement of comprehensive income. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been change in the estimates used to determine the recoverable amount.

2.8 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise bank balances and short term deposit.

2.9 Provisions

Provisions are recognised by considering an obligation of the Company as on date resulting from past events, and where it is probable that such obligation will result in outflow of economic resources and amount can be reliably estimated.

2.10 Employees' terminal benefits

Employees' terminal benefits and entitlements to annual leave, holiday, air passage and other short-term benefits are recognized as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the General Organisation for Social Insurance in the Kingdom of Bahrain. The Company's share of contribution to this funded scheme which is defined contribution scheme under IAS 19 - Employee benefits, is recognised as an expense in the statement of comprehensive income.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Laws for private sector 2012, based on length of service and final salary. Provision for this, which is unfunded and which represent a defined benefit plan under IAS 19 has been made by calculating the notional liability had all employees left at the reporting date. The provision is classified as a non-current liability in the statement of financial position.

Notes to the financial statements for the year ended 31 March 2015

2.11 Revenue recognition

Revenue is recognized when the services are rendered by the Company during the year.

2.12 Foreign currency transactions

Transactions in foreign currencies are translated into Bahraini Dinars and recorded at the appropriate rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Bahraini Dinars at the exchange rates prevailing at the statement of financial position date. The resultant exchange gains and losses are recognized in the statement of comprehensive income.

Non-monetary items are not retranslated at the year-end and are measured at historical cost (translated using exchange rate at the transaction date), except for non-monetary items measured at fair value which are translated using exchange rates at the date when fair value was determined.

2.13 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss (FVTPL), which are measured initially at fair value.

Financial assets and liabilities are measured subsequently as described below:

a. Financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition. All financial assets except financial asset at FVTPL are subject to review for impairment at least at each reporting date whether there is any objective evidence that a financial asset or group of financial asset is impaired.

Loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, accounts and other receivables and amount due from related party fall into this category of financial instruments.

b. Financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in the statement of comprehensive income. The Company's financial liabilities include accounts and other payables and amount due to related party.

2.14 Significant accounting judgments and estimates

The Company's financial statements prepared under IFRS require the Company to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Future events may occur which may cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the Company's financial statements as they become reasonably determinable.

a. Judgments

Judgment and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Leases. In applying the classification of leases, management considers its leases of office as operating lease arrangement which does not transfer substantially all the risk and rewards incidental to ownership.

b. Use of estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of depreciable assets. Management reviews the useful lives of depreciable assets at each reporting date. At 31 March 2015, Management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analysed in Note 3.

Notes to the financial statements for the year ended 31 March 2015

3. Plant and equipment

	Furniture BD	Computer equipment BD	2015 Total BD	2014 Total BD
Costs				
At 1 April 2014 and at 31 March 2015	**5,882**	**578**	**6,460**	**6,460**
Accumulated depreciation				
At 1 April 2014 and at 31 March 2015	**5,882**	**578**	**6,460**	**6,460**
Net book value				
At 31 March 2015	**-**	**-**	**-**	**-**
At 31 March 2014	**-**	**-**	**-**	**-**

4. Accounts and other receivables

	2015 BD	2014 BD
Accounts receivables	**115,817**	676,675
Less: Provision for doubtful receivables	**(108,173)**	-
	7,644	676,675
Advances and other receivables	**237,000**	197,592
	244,644	874,267

All amounts are short term. The net carrying value of accounts and other receivables is considered a reasonable approximation of fair value at the financial position date. The age of accounts and other receivables past due but not impaired are disclosed in Note 16e.

5. Amount due from related party

	2015 BD
Tech Mahindra Limited, India	**39,979**

Amount due from related party is unsecured, earns no interest and has no fixed repayment terms.

6. Cash and cash equivalents

	2015 BD	2014 BD
Bank balances	**371,946**	440,949
Short term deposit	**490,153**	-
	862,099	440,949

Short term deposit is placed with the Company's banker, earns interest at a rate of 0.01% per annum with original maturity of less than 3 months.

There are no restrictions on bank balances and short term deposit at the time of approval of the financial statements.

7. Accounts and other payables

	2015 BD	2014 BD
Accounts payable	**116,591**	121,897
Accrued expenses	**25,380**	48,926
Leave salary	**7,363**	16,736
	149,334	187,559

The carrying values of accounts and other payables are considered to be reasonable approximate of fair value at the financial position date.

Notes to the financial statements for the year ended 31 March 2015

8. Amount due to related party

	2014
	BD
Tech Mahindra Limited, India	128,747

Amount due to related party is unsecured, bears no interest and has no fixed repayment terms.

9. Employees' terminal benefits

The movement in leaving indemnity liability applicable to expatriate employees is as follows:

	2015	2014
	BD	BD
At 1 April	**26,397**	32,396
Amount reversed during the year (net)	**(14,149)**	(5,999)
At 31 March	**12,248**	26,397

The number of staff employed by the Company at 31 March 2015 was 8 (2014: 7).

10. Share capital

The authorized share capital of the Company consists of 500 shares of BD100 each, issued and fully paid up.

	Number of shares	**%**	**Amount**
			BD
Tech Mahindra Limited, India	**500**	**100**	**50,000**

11. Statutory reserve

Under the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's profit for the year before appropriations is required to be transferred to a non-distributable reserve account up to a minimum of 50% of the issued share capital. The Company discontinued such transfer since the reserve has reached 50% of the paid up share capital (2014: Nil).

12. Revenue

	2015	2014
	BD	BD
Pass through (i)	**(2,928)**	1,701,012
Service revenue – costs plus 5% (ii)	**373,328**	1,339,434
	370,400	3,040,446

(i) This pertains to billings made by the Company on behalf of Tech Mahindra Limited, India (the "Parent").

(ii) The Company has an agreement with the Parent whereby the Company charges the Parent with a mark-up of 5% on the aggregate of direct and indirect cost incurred during the year, except for pass through transactions on behalf of the Parent.

Accordingly, the revenue has been represented on gross basis inclusive of pass through transactions in the amount of BD 2,928 (2014: BD 1,701,012).

13. Direct costs

	2015	2014
	BD	BD
Staff costs	**180,770**	567,079
Travelling expenses	**21,415**	30,477
Subcontractor charges	**1,188**	527,333
Project specific costs	**-**	22,603
Tech Mahindra Limited - India cost	**(2,928)**	1,701,012
	200,445	2,848,504

Notes to the financial statements for the year ended 31 March 2015

14. General and administrative expenses

	2015 BD	2014 BD
Professional charges	**38,001**	34,484
Rent	**6,360**	22,084
Telephone and mobile charges	**2,022**	2,514
Foreign exchange loss	**254**	60,104
Transportation	**-**	3,629
Miscellaneous expenses	**2,518**	5,343
	49,155	128,158

15. Related party transactions

The Company's related parties include its Proprietor, directors, their close relatives and businesses under their control. The Company's transactions with related parties are in the ordinary course of business. The balances with related parties at the financial position date have been separately disclosed in the financial statements.

The Company's transactions with its related parties are as follows:

Name of related party	Nature of transactions	2015 BD	2014 BD
Tech Mahindra Limited India	Pass through revenue	**(2,928)**	1,701,012
Tech Mahindra Limited India	Service revenue	**373,328**	1,339,434

The movement of amount due (from)/to Tech Mahindra Limited, India are as follows;

	2015 Amounts due to BD	2014 Amounts due to BD
At 1 April	**128,747**	524,130
Service income (Note 12)	**(373,328)**	(1,339,433)
Cost of services (Note 13)	**(2,928)**	1,701,012
Other reimbursements	**70,336**	95,484
Payments	**(227,009)**	(2,416,510)
Receipts	**364,203**	1,564,064
At 31 March	**(39,979)**	128,747

16. Financial assets and liabilities and risk management

The Company's principal financial instruments comprise of cash and cash equivalents, accounts and other receivables, amount due from/to related party and accounts and other payables.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The Directors approve policies for managing each of these risks, which are summarized below.

a. Interest rate risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. The Company is not exposed to the risk of changes in the market interest rates as the Company has no interest bearing financial assets and financial liabilities.

b. Liquidity risk

Liquidity risk is the risk arising from the Company not being able to meet its obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents.

The following table shows the maturity profile of financial liabilities as at 31 March 2015:

Particulars	Due within 1 year BD
Accounts and other payables	**141,971**

Notes to the financial statements for the year ended 31 March 2015

The following table shows the maturity profile of financial liabilities as at 31 March 2014:

Particulars	Due within 1 year BD
Accounts and other payables	170,823
Amount due to related party	128,747
	299,570

c. Foreign currency risk

The Company's primary exposure to the risk of changes in foreign currency relates to the transactional currency exposures. Such exposure arises when the transaction is denominated in currencies other than the functional currency of the operating unit or the counterparty.

The Company manages this risk by maintaining foreign currency bank accounts, which are used for foreign currency transactions to minimize the impact of foreign exchange fluctuations.

d. Credit risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Company. The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. A regular annual review and evaluation of these accounts are carried out to assess the credit standing of the customers.

The table below shows the gross maximum exposure to the Company's credit risk, without considering the effects of collateral, credit enhancements and other credit risk mitigation techniques as at 31 March:

Particulars	**2015**	2014
	BD	BD
Accounts and other receivables	**7,644**	676,675
Amount due from related party	**39,979**	-
Cash and cash equivalents	**862,099**	440,949
	909,722	1,117,624

e. Credit quality per class of financial asset

The Company continuously monitors defaults of the customer and other counterparty, identified either individually or by group, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all the above financial assets that are neither past due or impaired for each of the reporting dates under review are of good credit quality.

The table below shows the age analysis of the Company's financial assets as at 31 March 2015.

Particulars	Neither past due or impaired BD
Accounts and other receivables	7,644
Amount due from related party	39,979
Cash and cash equivalents	862,099
	909,722

Notes to the financial statements for the year ended 31 March 2015

The table below shows the age analysis of the Company's financial assets as at 31 March 2014.

Particulars	Neither past due or impaired BD
Accounts and other receivables	676,675
Cash and cash equivalents	440,949
	1,117,624

17. Capital management policy

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize Proprietor's value.

The Company monitors capital using capital to overall financing ratio, which is capital divided by overall financing.

	2015 **BD**	2014 BD
Total equity	**985,140**	972,513
Less: Cash and cash equivalents	**(862,099)**	(440,949)
Capital	**123,041**	531,564
Total equity	**985,140**	972,513
Overall financing	**985,140**	972,513
Capital to overall financing ratio	**0.12**	0.55

18. Post- reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

19. Comparative figures

Comparative figures for the previous year have been reclassified/re-arranged wherever necessary to conform with the presentation in the current year's financial statements.

TECH MAHINDRA (NIGERIA) LIMITED

Board of Directors

Mr. Sujit Baksi Director (Indian)
Mr. Milind Kulkarni Director (Indian)
Mr. Atanu Sarkar Director (Indian)
Chief (Mrs) Faidat Oreagba Director (Nigerian)
Mr. Anil Khatri Director (Indian)

Registered Office

Coscharis Plaza
3rd Floor, 68A
Adeola Odeku Street
Victoria Island, Lagos.

Bankers
Citibank Nigeria Limited

Auditors

Grant Thornton Nigeria

DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors submit their report together with the audited financial statements for the year ended 31 March 2015, which disclose the state of affairs of the company.

Legal Form

The company was incorporated in Nigeria under the Companies and Allied Matters Act 2004 as a Private Limited Liability Company on August 18, 2009. It commenced full operation in January 2011.

Principal Activity

The principal activity of the company is to provide global solution on information technology to various sector of the economy. It is engaged in directing, operating, managing, investing in or provide telecommunication, networking, communication, internet information and other information technology related services.

Directors

The directors who held office during the year and to the date of this report were:

Mr. Milind Kulkarni	Director (Indian)
Mr. Atanu Sarkar	Director (Indian)
Chief (Mrs) Faidat Oreagba	Director (Nigerian)
Mr. Sujit Baksi	Director (Indian)
Mr. Anil Khatri	Director (Indian)

Directors Shareholding

The direct and indirect interests of directors in the issued share capital of the company as recorded in the register of directors shareholding and /or as notified by the directors for the purposes of Sections 275 and 276 of the Companies and Allied Matters Act 2004.

Name	No of Ordinary shares held	
	Direct Shareholding	Indirect Shareholding
Mr. Milind Kulkarni	1	-

Directors interests in contracts

For the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004, none of the directors has notified the company of any direct or indirect interest in contracts or proposed contracts with the company during the year.

Donations and Charitable Gifts

There were no donations made during the year.

Human Resources

Employment of Disabled Persons

The company continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitudes. The company's policy prohibits discrimination of disabled person in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment with the company continues and appropriate training arranged to ensure that they fit into the company's working environment.

Health, Safety and welfare at Work

The company enforces strict health and safety rules and practices at work environment, which are reviewed and tested regularly. The company retains top-class private hospitals where medical facilities are provided for staff at the company's expense.

Fire prevention and fire-fighting equipment are installed in strategic locations within the company's premises.

The company operates both Group Personal Accident and contributing to the Nigeria Social Insurance Trust Fund in compliance with the requirements of Employees Compensation Act (ECA), 2010. It also operates a contributory pension plan in line with the Pension Reform Act, 2004.

Employee Involvement and Training

The company ensures, through various form, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism.

In accordance with the company's policy of continuous development, training facilities are provided in the company's Training School. In addition, employees of the company are nominated to attend both locally and internationally organized courses. These are complemented by on-the job training.

AUDITORS

In accordance with Section 357(2) of the Companies and Allied Matters Act (CAP C20) 2004, Messrs. Grant Thornton (Chartered Accountants) will be reappointed to continue in office as Auditors to the Company having indicated their willingness to do so.

By Order of the Board

LAGOS, NIGERIA

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2015

The Companies and Allied Matters Act, CAP C20 LFN 2004 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of each financial year and its profit or loss. The responsibilities include ensuring that the company:

- Keeps proper accounting records that disclose with accuracy, the financial position of the company and comply with the requirement of the Companies and Allied Matters Act;

- Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the interim financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in confirmity with the International Financial Reporting Standards (IFRS) and the Companies and Allied Matters Act.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board

Milind Kulkarni	**Anil Khatri**
Director	Director

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements to the members of Tech Mahindra (Nigeria) Limited, for the year ended 31 March 2015, set out on pages herein, which have been prepared on the basis of significant accounting policies on pages herein.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and with requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the company's books of accounts have been properly kept. The financial statements referred to above, which are in agreement with the books of account, give a true and fair view of the state of affairs of the company as at 31 March 2015 and of the performance for the period ended on that date. The financial statements have been properly prepared in accordance with the provisions of the Companies and Allied Matters Act, (Cap C20) of 2004 and relevant International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board((IASB).

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit

we consider and report to you on the following matters. We confirm that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) In our opinion, proper books of account have been kept by the company; and

iii) The company's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of account.

Nkwachi Abuka, FCA
FRC/2013/ICAN/00000003431

For: **Grant Thornton Nigeria**
(CHARTERED ACCOUNTANTS)

LAGOS, NIGERIA.

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 =N=	2014 =N=
Revenue from Services	5	**2,479,869,824**	3,258,375,365
Subcontracting Expenses	6	**(362,455,351)**	(841,859,884)
Gross profit		**2,117,414,474**	2,416,515,481
Finance Cost	7	**(13,993,568)**	(13,297,775)
Less Expenses:			
Personnel Cost	8	**(1,075,351,895)**	(897,467,943)
Administrative Expenses	9	**(703,330,850)**	(845,733,626)
Depreciation Expenses	10	**(10,582,229)**	(14,354,268)
		314,155,931	645,661,869
Other Income	11	**17,571,165**	33,129,933
Profit Before Taxation		**331,727,096**	678,791,802
Taxation	12	**(89,156,839)**	(248,247,221)
Profit After Taxation		**242,570,257**	430,544,581
Retained Profit for the Year		**242,570,257**	430,544,581
Per Share Data:			
		2	3
Earnings per share from continuing operations attributable to owners during the year: (expressed in naira per share)			
Basic and diluted earnings per share		**2**	3

The statement of accounting policies and notes on pages herein form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Notes	31-Mar-15 =N=	**31-Mar-14 =N=**	1-Apr-13 =N=
ASSETS				
NON CURRENT ASSETS				
Property, Plant & Equipment	13	**14,821,855**	17,201,084	18,826,578
Deferred Income Tax	12	**10,927,019**	-	23,857,045
		25,748,874	17,201,084	42,683,622
CURRENT ASSETS				
Receivable and Prepayments	14	**1,716,573,116**	2,859,427,954	1,308,771,692
Cash and Cash Equivalent	15	**1,388,395,392**	407,870,554	674,729,531
		3,104,968,508	3,267,298,508	1,983,501,223
TOTAL ASSETS		**3,130,717,382**	3,284,499,592	2,026,184,845
EQUITY AND LIABILITIES				
Equity Attributable to Owners				
Share Capital	19	**153,040,026**	153,040,026	153,040,026
General Reserve		**862,186,723**	619,616,466	189,071,885
		1,015,226,749	772,656,492	342,111,911
NON CURRENT LIABILITIES				
Deferred Tax Liabilities	12	**-**	21,194,946	-
Unsecured Loan from Tech Mahindra Limited	19	**196,863,000**	321,900,000	312,097,786
CURRENT LIABILITIES				
Trade Payables	16	**162,425,044**	147,333,831	38,220,891
Other Payables	17	**1,634,923,785**	1,818,219,092	1,333,754,257
Income Tax Liabilities	12	**121,278,804**	203,195,231	0
		2,115,490,633	2,511,843,100	1,684,072,934
TOTAL EQUITY AND LIABILITIES		**3,130,717,382**	3,284,499,592	2,026,184,845

These accounts were approved by the Board of Directors on and signed on its behalf by:

Milind Kulkarni
Director

Anil Khatri
Director

Ayan Chatterjee

Finance Manager

The statement of accounting policies and notes on pages herein form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Equity Share =N=	General Reserve =N=	Total =N=
Year Ended 31 March 2014			
Balance at 1 April 2013	153,040,026	189,071,885	342,111,911
Profit for the year		430,544,581	430,544,581
Balance as at 31 March 2014	153,040,026	619,616,466	772,656,493
Year Ended 31 March 2015			
Balance at 1 April 2014	153,040,026	619,616,466	**772,656,492**
Profit for the year		242,570,257	**242,570,257**
Balance as at 31 March 2015	153,040,026	862,186,723	**1,015,226,749**

The statement of accounting policies and notes on pages herein form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	=N=	=N=
Cash flows from operating activities		
Profit/(Loss) Before Tax	**331,727,096**	678,791,802
Adjustments:		
Depreciation	**10,582,229**	14,354,268
Operating Profit Before Working Capital Changes	**342,309,325**	693,146,071
(Increase)/Decrease in Debtors and Prepayment	**1,142,854,838**	(1,550,656,262)
Increase/(Decrease) in Trade Payables	**15,091,213**	109,112,940
Increase/(Decrease) in Other Payables	**(183,295,307)**	484,464,835
	974,650,744	(957,078,487)
Tax Paid	**(203,195,231)**	-
Net Cash Flow from Operating Activities		-
	1,113,764,838	(263,932,416)
Cash flow from Investing Activities:		
Purchase of Property, Plant and Equipment	**(8,203,000)**	(12,728,775)
Net Cash flow from Investing Activities	**(8,203,000)**	(12,728,775)
Cash Flow from Financing Activities:		
Unsecured Loan from Tech Mahindra Limited	**(125,037,000)**	9,802,214
Net Cash Flow from Financing Activities	**(125,037,000)**	9,802,214
Net Cash Flow for the year	**980,524,838**	(266,858,977)
Cash and Cash Equivalents at 1 April 2014	**407,870,554**	674,729,531
Cash and Cash Equivalents at 31 March 2015	**1,388,395,392**	407,870,554
Cash and Cash Equivalent Consist of :	**1,388,395,392**	407,870,554
Bank		

The statement of accounting policies and notes on pages herein form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1 Reporting Entity

The company was incorporated in Nigeria under the Companies and Allied Matters Act 2004 as a Private Limited Liability Company on 18 August 2009. It commenced full operation in January 2011. Its initial Authorised share capital was 153,790,000 ordinary shares of N1.00. The company is wholly owned by Tech Mahindra India .

2 Basis of Preparation

(a) Statement of Compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). These are the company's first financial statements prepared in accordance with IFRSs. The IFRS 1 - First-time Adoption of International Financial Reporting Standards have been applied.

An explanation of how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the company is provided in appendixes 1 - 3.

The Financial Statements were authorized for issue by the Board of Directors of Tech Mahindra (Nigeria) Limited on

(b) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis.

(c) Functional and Presentation currency

These Financial Statements are presented in Nigeria Naira which is the company's functional currency.

(d) Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the entity that have the most significant effect on the financial statements.

i. Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

ii. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilised. In addition,significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

iii. Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

iv. Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

v. Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

vi. Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by market-driven or regulatory changes that may reduce future selling prices.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company.

At the date of authorisation of these financial statements, certain new IFRS standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the company. Management anticipates that all of the relevant pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the company's financial statements.

IFRS 9, 'Financial instruments', issued in November 2009 (effective 1 January 2015)

IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015.

3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in the financial statements and in preparing the opening IFRS financial statements as of 1 January 2014 for the purposes of transition to IFRSs.

3.1 Revenue

Sales represents invoiced value, excluding value added tax.

Interest and Dividends

Basic earnings per share are calculated by dividing net earnings for the year by the weighted average number of ordinary shares in issue during the year.

3.2 Administrative expenses

Administrative expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

3.3 Employee Benefits

(i) Pension fund obligations

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity - Pension Fund Administrators (PFA) and has no legal or constructive obligations to pay further contributions. Obligations for contribution plans are recognised as personnel expenses in profit or loss in the periods during which related expenses are rendered. Contributions to a defined contribution plan that are due for more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value.

For defined contribution plans, the company pays contributions to an administered pension plans on a rule basis. However, additional voluntary contributions are allowed. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as personnel expense when they are due.

(ii) Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after service is rendered) such as paid vacation, leave pay, sick leave and bonuses are recognised in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognised as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Provisions for leave pay and bonuses are recognised as a liability in the financial statements.

3.4 Tax Expense

The tax expense represents the sum of the current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

(i) Current Tax

The current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of the previous years.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which it can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(iii) Tax Exposure

In determining the amount of current and deferred tax, the company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that caused the company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the year that such a determination is made.

3.5 Cash and Cash Equivalents

Cash and Cash Equivalents comprise of notes and coins on hand, demand deposits and other short term, highly liquid financial assets with original maturities of three months or less that are convertible to a known amount of cash which are subject to insignificant risk of changes in value, all of which are available for use by the company unless otherwise stated. In the statement of financial position, company overdrafts are included in current liabilities.

3.6 Trade Receivables

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the company does not intend to sell immediately or in the near term.

3.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

3.8 Property, Plant and Equipment

Land

Land held for use in production or administration is stated at cost amounts. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings, IT equipment and other equipment

(i) Recognition and Measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of material and direct labour;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the company has an obligation to remove the asset or restore the site, an estimate of the cost of dismantling and removing the items and restoring the site on which they are located; and
- Capitalised borrowing cost.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in profit or loss.

When parts of an item of property have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the company. On-going repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the assets are completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line basis over their estimated useful lives. Depreciation is recognised in profit or loss. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful life for the current and comparative years of significant items of property, plant and equipment are as follows:

- Motor Vehicles	3-5 years
- Computer Equipment	3 years
- Furniture and Fittings	5-10 years
- Plant and Machinery	5-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.9 Share Capital

Ordinary Shares

Ordinary shares are classified as equity and (share capital) are recorded at the proceeds received net of incremental external costs directly attributable to the issue.

3.10 Financial Instruments

(i) Recognition and Measurement

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Purchases and sales of financial instruments are measured on a trade-date basis.

Financial liabilities and equity instruments, issued by the company, are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets are derecognised when and only when:

- The contractual rights to the cash flows from the financial assets expire; or
- The company transfers the financial asset, including substantially all the risks and rewards of ownership of the asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Investments made by company which are classified as either held at fair value through profit or loss or available-for-sale, and are measured at subsequent reporting dates at fair value.

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 values of quoted investments and unit trusts in active markets are based on current market prices. Since actual market prices are available in determining fair values, no significant estimates or valuation models are applied in determining the fair value of quoted financial instruments.

(ii) Fair Value Hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 ‘Financial Instruments: Disclosures’:

Level 1: Quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.

Level 2: Valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.

Level 3: Valuation techniques using significant unobservable inputs: financial assets and liabilities

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

valued using valuation techniques where one or more significant inputs are unobservable.

The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

(iii) De-recognition of Financial Instruments

Financial assets are derecognised when the contractual rights to receive cash flows from the investments have expired or on trade date when they have been transferred and the company has also transferred substantially all risks and rewards of ownership. Non-cash financial assets pledged, where the counterparty has the right to sell or re-pledge the assets to a third party, are classified as pledged assets.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires.

(iv) Financial Assets

Management determines the classification of financial assets at initial recognition; this classification depends on the nature and purpose of the financial asset. Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss;
- trade receivables
- held-to-maturity and
- available-for-sale financial assets.
- Financial Assets at fair value through profit or loss

This category has two components: those held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of generating a profit from short-term fluctuation in price or a security is included in a portfolio in which a pattern of short-term profit taking exists or if so designated by management at inception as held at fair value through profit or loss. Financial assets designated at fair value through profit or loss at inception are those that are:

- Held to match liabilities that are linked to changes in fair value of these assets. The designation of these assets at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising gains and losses on them on different bases; or
- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the company's key management personnel.

- **Trade Receivables**

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the company provides money, goods or services directly to a customer with no intention of trading the receivable. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reductions for impairment of financial assets. The carrying amount represents its fair value.

- **Available-for-sale**

Available-for-sale instruments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. Subsequent to initial recognition, financial assets classified as available -for -sale are measured at fair value on the statement of financial position.

- **Held - to - Maturity**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has both the positive intent and ability to hold to maturity. Held-to-maturity investments are carried at amortised cost, using the effective interest method, less any impairment losses.

(v) Financial Liabilities

Financial liabilities are recognised initially at fair value, generally being their issue proceeds net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost and interest is recognised over the period of the borrowing using the effective interest method.

The company classifies certain liabilities at fair value through profit or loss, mainly to match the accounting classification of assets with similar risks. Such liabilities are accounted for at fair value with changes in fair value recognised in profit or loss.

(vi) Gains and Losses

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in comprehensive income, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in comprehensive income is recognised in profit or loss. Interest income, calculated using the effective interest method, is recognised in profit or loss except for short term receivables where the recognition of interest would be immaterial. Dividends on available -for-sale equity instruments are recognised in the profit or loss when the company's right to receive payment is established.

(vii) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(viii) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when 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 and settle the liability simultaneously.

(ix) Impairment of Financial Assets

(i) Assets Carried at Amortised Cost

At each reporting date, the company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events that occured after the initial recognition of the asset (a 'loss event') and that loss event(s) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The company first assesses whether objective evidence of impairment exists individually for financial asset that are individually significant, and individually or collectively for financial assets that are not individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it then includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

When a trade receivable is uncollectible, it is written off against the related provision for loan impairment. Such receivables are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for receivables allowance in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The reverse shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Asset Carried at Fair Value

At each reporting date, the company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available -for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

that financial asset previously recognised in profit or loss - is removed from comprehensive income and recognised in profit or loss.

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not subsequently reversed through profit or loss, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income. However, if in a subsequent period the fair value of a debt instrument classified as available-for-sale increase and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

3.11 Provisions

Provisions are liabilities of uncertain timing or amount, and are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the director's estimate of the expenditure required to settle that obligation at the end of each reporting period, and are discounted (at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability) to present value where the effect is material.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect of any item included in the same class of obligations may be small.

3.12 Foreign Currency Transactions and Balances

Foreign Currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. The functional currency is the currency of the primary economic environment in which the entity operates, which is the Nigerian Naira.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items of historical cost in a foreign currency are not retranslated.

4 Financial Risk Management

(a) Introduction

The company uses its financial skills to provide competitive product pricing and delivery to a broad range of customers.

Risk Management is essential to help ensure business sustainability thereby providing customers and the shareholders with a long-term value proposition.

Key elements of risk management are:

- Strong corporate governance including relevant and reliable management information and internal control processes;
- Ensuring significant and relevant skills and services are available consistently to the company;
- Influencing the business and environment by being active participants in the relevant regulatory and business forums; and
- Keeping abreast of technology and consumer trends and investing capital and resources where required.

The overall company focus within an appropriate risk framework is to give value to the customers through effective and efficient execution of transactions.

The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

(b) Significant Risks

The company has exposure to Significant Risks which are categorised as follows:

(i) Regulatory (capital adequacy, legal, accounting and taxation);

(ii) Business environment (reputation and strategic);

(iii) Operational (people, information technology and internal control processes);

(iv) Market (equity prices, interest rate and currency); and

(v) Liquidity

(c) Detailed Discussion of Significant Risks

(i) Regulatory Risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry that pertain to the business of the Company. In order to manage this risk, the Company is an active participant in the IT industry and engages in discussions with policy makers and regulators.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Legal Risk

Legal risk is the risk that the company will be exposed to contractual obligations which have not been provided for.

The company has a policy of ensuring all contractual obligations are documented and appropriately evidenced to agreements with the relevant parties to the contract.

All significant contracted claims are reviewed by independent legal resources and amounts are provided for if there is consensus as to any possible exposure. At 31 March 2015, the directors are not aware of any significant obligation not provided for.

Taxation Risk

Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products.

Taxation risk occurs in the following key areas:

- Transactional risk;
- Operational risk;
- Compliance risk; and
- Financial accounting risk.

- **Transactional Risk**

The risk which concerns specific transactions entered into by the company, including restructuring projects and reorganizations.

- **Operational Risk**

The underlying risks of applying tax laws, regulations and decisions to the day-to-day business operations of the company.

- **Compliance Risk**

The risk associated with meeting the company's statutory obligations.

- **Financial Accounting Risk**

The risk relates to the inadequacy of proper internal controls over financial reporting, including tax provisioning.

In managing the company's taxation risk, the company tax policy is as follows:

The company will fulfil its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the company may have in relation to company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

Compliance with this policy is aimed at ensuring that:

- All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation;
- The company continually reviews its existing operations and planned operations in this context; and
- The company ensures that, where clients participate in company products, these clients are either aware of the probably tax consequences, or are advised to consult with independent professionals to assess these consequences, or both.

The identification and management of tax risk is the primary objective of the company tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the company is exposed, in the context of the various types of activities the company conducts.

Accounting Risk

Accounting Risk is the risk that the company fails to explain the current events of the business in the financial statements.

Accounting risk can arise from the failure of management to:

- Maintain proper books and records, accounting system and to have proper accounting policies;
- Establish proper internal accounting controls;
- Prepare periodic financial statements that reflect an accurate financial position; and be transparent and fully disclose all important and relevant matters.

Measures to control accounting risk are the use of proper accounting systems, books and records based on proper accounting policies as well as the establishment of proper internal accounting controls. Proposed accounting changes are researched by accounting resources, and if required external resources, to identify and advise on any material impact on the company.

Financial statements are prepared in a transparent manner that fully discloses all important and relevant

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

matters as well as accurately reflecting the financial position, results and cash flows of the company.

(ii) Business Environment

Reputational Risk

Reputational risk is the risk of loss caused by a decline in the reputation of the company or any of its specific business units from the perspective of its stakeholders, shareholders, customers, staff, business partners or the general public.

Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

- **Strategic Risk**

  Strategic Risk is the risk of an unexpected negative change in the company value, arising from the adverse effect of executive decisions on both business strategies and their implementation.

  This risk is a function of the compatibility between strategic goals, the business strategies developed to achieve those goals and the resources deployed to achieve those goals. Strategic risk also includes the ability of management to effectively analyse and react to external factors, which could impact the future direction of the relevant business units.

  Company risk identifies and assesses both those risks qualitatively as part of a quartely evaluation. On the basis of this evaluation, company risk creates an overview of local and global risks which also includes reputational risks, analyses the risk profile of the company and regularly informs directors and management.

(iii) Operational Risk

Operational Risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.

(iv) Market Risk

Market risk includes asset liability matching risk, currency risk, interest rate risk and equity price risk.

The company is exposed to market risk through its financial assets and financial liabilities. The most important components of this risk are interest rate risk and market price risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

Interest Rate and Market Price Risk

These risks have very different impacts on the various categories of business used in the company's Assets and Liabilities Management framework. Interest rate and market price risk have been discussed together since they interact on certain types of liabilities.

Interest Rate Risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rates.

Equity Price Risk

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

Foreign Currency Risk

In respect of other monetary assets and liabilities held in currencies other than the Naira, the company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates, where necessary, to address short-term balances.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

Key areas where the company is exposed to credit risk are:

* Certain classes of financial assets such as bonds, term deposits, cash and cash equivalent; and
* Certain accounts within trade and other receivables.

Financial Assets

Various debt instruments are entered into by the company in order to invest surplus shareholders funds. The company is exposed to the issuer's credit standing on these instruments.

The following policy and procedure is in place to mitigate the company's exposure to this credit risk:

* Exposure to outside financial institutions concerning financial instrument is monitored in accordance with parameters which have been approved by the company's audit committee and the company's board.

Other Receivables

Investment sale debtors are protected by the security of the underlying investment not being transferred to the purchaser prior to payment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Company Treasury maintains flexibility in funding by keeping committed credit lines available.

Sensitivities

Management applies a number of sensitivity tests to the earnings of the company to better understand the exposure to and importance of each of the main drivers of profitability.

IFRS 7 requires management to report on the changes in the net income after tax following "reasonable possible" changes in each of the factors to which the company is exposed. Management has set the upside and downside movements for each factor at a level which represents the amount by which management believes that factor could reasonably change over the year following the valuation date. These opinions have been informed by an analysis of historical one year changes in those factors. The upper and lower limits have been set at the 75th and 25th percentiles of observed changes as these bound and interval which may be expected to contain 50% of the changes in the coming year. Management believes this represents in some sense what is "reasonably possible", though it is important to note that this opinion is based on past experience and the tested range is not sensitive to all the relevant information in the market at the reporting date.

Management has considered the impact of upside and downside movements in foreign exchange rates. In relation to these sensitivities:

* The earnings are sensitive to changes in both the shape and level of the yield curve. Management has not considered changes in the shape of the yield curve due to several constraints although this may be reviewed in the following year.
* The foreign exchange movements have been considered together in the same sensitivity. Observed historic negative correlations between factors would tend to dampen the effects presented. These correlations are not very large and they have not been adjusted for. This treatment has resulted in the presentation of a slightly more extreme view of what could reasonably occur over the following year.

Future rates of expense inflation, catastrophes and tax assumptions were considered but no sensitivities are presented as it is unlikely, in management's opinion that, these assumptions will change over the following year.

It should be noted that each impact on profit after tax is shown individually for each sensitivity being changed, keeping all other assumptions constant. In practice this is unlikely to occur, as changes in some of the variables may be correlated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
		= N =	= N =
5	**REVENUE FROM SERVICES**	**2,479,869,824**	3,258,375,365
6	**SUBCONTRACTING EXPENSES**	**362,455,351**	841,859,884
7	**FINANCE COST**		
	Bank Charges	**13,993,568**	13,297,775
		13,993,568	13,297,775
8	**PERSONNEL COST**		
	Salaries and Wages	**1,042,535,052**	858,240,940
	Staff Welfare	**15,787,615**	23,588,743
	Staff Recruitment	**17,029,228**	15,638,260
		1,075,351,895	897,467,943
9	**ADMINISTRATIVE EXPENSES**		
	Other operating expenses consist of the expenses listed below:		
	Guest House Expenses	**44,464,952**	64,758,315
	Telephone, Internet and Postage	**20,158,195**	17,149,162
	Rent	**332,133,342**	525,391,309
	Motor Running Expenses	**19,038,939**	12,182,312
	Audit Fees	**10,000,000**	8,000,000
	Office Running Expenses	**13,945,703**	9,549,655
	Business Promotion Expenses	**4,699,125**	15,505,268
	Insurance	**89,273,502**	79,560,160
	Legal Expenses and Professional Fees	**34,279,199**	25,001,566
	Travelling and Conveyance	**75,093,903**	66,369,586
	Miscellaneous Expenses	**23,298,872**	15,291,306
	Exchange Loss	**36,209,259**	6,176,983
	Printing and Stationeries	**735,858**	798,005
		703,330,850	845,733,626
10	**DEPRECIATION EXPENSES**	**10,582,229**	14,354,268
11	**Other Income**		
	Interest Received	**17,571,164**	3,414,198
	Exchange Gain - Unrealized/Realized	**-**	-
	Other Income	**1**	29,715,736
		17,571,165	33,129,933

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Other operating income relates to income earned from other activities other than the company principal activities. Interest received relates to income earned on placement with banks.

		31-Mar-15	31-Mar-14	1-Apr-13
		= N =	= N =	= N =
12	**Taxation**			
i	**Current Tax (Statement of Financial Position)**			
	Balance as 1 April	**203,195,231**	0	114,029,952
	Charge for the year	**121,278,804**	203,195,231	38,383,497
		324,474,035	203,195,231	152,413,449
	Under Provision in Prior Year	**-**	-	-
	Paid During the Year	**(203,195,231)**	-	(152,413,449)
	Balance as at reporting year	**121,278,804**	203,195,231	0
ii	**Income Tax Expense**			
	Company Income Tax	**110,445,148**	182,442,595	38,383,497
	Education Tax	**7,516,385**	13,964,718	-
	Information Technology Levy	**3,317,271**	6,787,918	-
		121,278,804	203,195,231	38,383,497
	Deferred Tax Expense Recognised in the current year	**(32,121,965)**	45,051,990	(23,257,120)
	Charge to Income Statement	**89,156,839**	248,247,221	15,126,378

The tax rate used for the 2015 tax computation is 30% payable by Corporate Entities in Nigeria, 2% for Education Tax and 1% of profit before tax for information technology levy.

iii	**Deferred Tax Assets**	**10,927,019**	-	23,857,045
iv	**Deferred Tax Liabilities**	**-**	21,194,945.67	-

13 Property, Plant & Equipment

	MOTOR VEHICLE	**PLANT & MACHINERY**	**COMPUTER**	**FURNITURE & FITTINGS**	**OFFICE EQUIPMENT**	**TOTAL**
	= N =	**= N =**	**= N =**	**= N =**	**= N =**	**= N =**
COST						
As At 1 April 2014	32,080,825	4,193,223	3,682,541	4,852,000	422,000	45,230,589
Additions during the year	5,000,000	-	-	3,203,000	-	8,203,000
As At 31 March 2015	**37,080,825**	**4,193,223**	**3,682,541**	**8,055,000**	**422,000**	**53,433,589**
DEPRECIATION						
As At 1 April 2014	20,386,771	2,548,082	2,376,084	2,591,973	126,595	28,029,504
Charge for the year	7,484,448	541,223	967,988	1,504,174	84,396	10,582,229
As At 31 March 2015	**27,871,218**	**3,089,305**	**3,344,072**	**4,096,147**	**210,991**	**38,611,734**
NET BOOK VALUE						
As At 31 March 2015	**9,209,607**	**1,103,918**	**338,469**	**3,958,853**	**211,009**	**14,821,855**
As At 31 March 2014	11,694,054	1,645,141	1,306,457	2,260,027	295,405	17,201,084

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

		31-Mar-15	31-Mar-14	1-Apr-13
		= N =	= N =	= N =
14	**RECEIVABLE AND PREPAYMENTS**			
	Accounts Receivable	**749,218,686**	1,855,576,892	553,158,807
	Provision for Doubtful Receivables	**(14,754,888)**	(14,754,888)	(14,754,888)
	Accounts Receivable - Net	**734,463,798**	1,840,822,004	538,403,919
	Withholding Tax Receivable	**675,471,297**	521,876,737	318,363,594
	Advance Payment to Suppliers	**31,246,436**	81,716,285	74,000,031
	Staff Debtors	**5,311,674**	2,361,562	2,528,216
	Prepaid Expenses	**270,079,910**	412,651,366	375,475,931
		1,716,573,116	2,859,427,954	1,308,771,692

All amounts are short-term. The net carrying value of trade receivables is considered to be at fair value.

		31-Mar-15	31-Mar-14	1-Apr-13
15	**CASH AND CASH EQUIVALENT**			
	Cash and cash equivalents consist of the following:			
	Bank Balances	**1,388,395,392**	407,870,554	674,729,531

These comprise of balances in foreign currencies that are translated at the period end, using the interbank rate as at 31 March 2015.

		31-Mar-15	31-Mar-14	1-Apr-13
16	**TRADE PAYABLES**			
	Trade and other payables consist of the following:			
	Advances From Customers	**162,425,044**	147,333,831	9,819,779
	Receivable- Mahindra Satyam	**-**	-	28,401,113
		162,425,044	147,333,831	38,220,891

The carrying amount of trade and other payables are considered to be at their fair values.

		31-Mar-15	31-Mar-14	1-Apr-13
17	**OTHER PAYABLES**			
	Accrued Expenses	**1,649,456,354**	1,770,488,685	1,296,270,690
	VAT Payable	**(19,429,789)**	13,209,450	21,994,222
	Withholding Tax Payable	**4,897,219**	34,520,957	15,489,345
		1,634,923,785	1,818,219,092	1,333,754,257
18	**Unsecured Loan from Tech Mahindra Limited India**	**196,863,000**	321,900,000	312,097,786
		196,863,000	321,900,000	312,097,786
	All provisions are considered current.			
19	**SHARE CAPITAL**			
	Authorised			
	153,790,000 Ordinary Shares of N1.00 each	**153,790,000**	153,790,000	153,790,000
	Issued and Fully Paid-Up			
	153,040,026 Ordinary Shares of N1.00 each	**153,040,026**	153,040,026	153,040,026

The share capital of Tech Mahindra (Nigeria) Limited consists only of fully paid ordinary shares with a norminal value of N1 each.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
		= N =	= N =
20	**PROFIT AND LOSS ACCOUNT**		
	The profit for the year is arrived at after charging the following:-		
	Depreciation	**10,582,229**	14,354,268
	Auditors Remuneration	**10,000,000**	8,000,000
21	**EMPLOYEES**		
	The number of persons employed by the company during the year were 1,000.		
22	**SUBSTANTIAL INTEREST IN SHARES**		
	Tech Mahindra Limited India	**153,040,025**	153,040,025
	Milind Kulkarni	**1**	1
		153,040,026	153,040,026
23	**RELATED PARTY TRANSACTIONS**		
	Parent Company - Tech Mahindra Limited India	**= N =**	= N =
	Beginning Balance Due to Parent Company on 1/4/2014	**1,462,192,618**	1,016,701,619
	Subcontractors for Subs cost to Parent Company	**48,342,178**	280,479,603
	Subcontractors for Subs cos to Parent company unbilled	**159,654,110**	10,443,610
	Reimbursement of Expenses receivable from Parent	**(91,025,753)**	4,435,384
	Interest on Loan taken from Parent Company	**3,691,442**	5,102,411
	Reimbursement of Expenses Payable to Parent Company	**-**	30,783,241
	Management fee to parent	**4,103,410**	-
	Advance from customer regrouped	**11,365,809**	-
	Payments received from parents	**97,260,988**	-
	Payment to Associate company (Tech M Hyderabad)	**-**	114,246,750
	Payment to parent	**242,774,258**	-
	POC as per mail for MRS support project	**-**	-
	Withholding Tax	**-**	-
	Closing Balance as at 31 March 2015	**1,938,359,058**	1,462,192,618
	Amount Payable to Associate Company - V Customer Care	**-**	-
	Loan from Tech Mahindra Limited India	**196,863,000**	321,900,000

24 Authorization of Financial Statements

The financial statements for the year 31 March 2015 (including comparatives) were approved by the board of directors on 30 Apr 2015

RECONCILIATION OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Previous GAAP = N =	Effect of transition to IFRS = N =	IFRSs = N =
Turnover	a	3,288,091,101	(3,288,091,101)	-
Revenue from Services	a	-	3,258,375,365	3,258,375,365
Direct Expenses	b	(841,859,884)	841,859,884	
Subcontracting Expenses	b	-	(841,859,884)	(841,859,884)
Gross profit		**2,446,231,216**	**(29,715,736)**	**2,416,515,481**
Interest Expense/Similar Charges	c	(15,078,775)	15,078,775	-
Finance Cost	c	-	(13,297,775)	(13,297,775)
Less Expenses:				
Personnel Cost	c	-	(897,467,943)	(897,467,943)
Administrative Expenses	c	(1,755,774,837)	910,041,211	(845,733,626)
Depreciation Expenses	c	-	(14,354,268)	(14,354,268)
		(1,755,774,837)	**(1,781,000)**	**(1,757,555,837)**
			-	
Other Income	a	3,414,198	29,715,736	33,129,933
			-	
Profit Before Taxation		678,791,802	-	678,791,802
			-	
Taxation		(248,247,221)	-	(248,247,221)
Profit After Taxation		**430,544,581**	**-**	**430,544,581**

RECONCILIATION OF SHAREHOLDERS' EQUITY AS AT 01 APRIL 2013

	Notes	Previous GAAP = N =	Effect of transition to IFRS = N =	IFRSs = N =
Assets				
Non - Current Assets				
Fixed Assets	d	18,826,578	(18,826,578)	
Property, Plant & Equipment	d	-	18,826,578	18,826,578
Deferred Income Tax		23,857,045	-	23,857,045
		42,683,622	-	42,683,622
Current Assets				
Debtors and Prepayments	e	1,320,397,140	(1,320,397,140)	-
Receivable and Prepayments	e	-	1,308,771,692	1,308,771,692
Bank Balances	f	674,729,531	(674,729,531)	-
Cash and cash equivalent	f	-	674,729,531	674,729,531
		1,995,126,671	(11,625,448)	1,983,501,223
TOTAL ASSETS		**2,037,810,293**	**(11,625,448)**	**2,026,184,845**
CURRENT LIABILITIES				
Amount falling due within 1 year:				
Creditors and Accruals	e	1,383,600,595	(1,383,600,595)	-
Trade Payables	e	-	38,220,891	38,220,891
Other Payables	e	-	1,333,754,257	1,333,754,257
Income Tax Liabilities		-	0	0
		1,383,600,595	(11,625,448)	1,371,975,148
Amount falling due after 1 year:				
Unsecured Loan from Tech Mahindra Limited India		312,097,786	-	312,097,786
Deferred Tax Liabilities			-	-
		312,097,786	-	312,097,786
Equity and Liabilities				
Equity Attributable to Owners				
Share Capital		153,040,026	-	153,040,026
Profit and Loss Account	g	189,071,886	(189,071,886)	-
General Reserve	g	-	189,071,885	189,071,885
		342,111,912	(1)	342,111,911
TOTAL EQUITY AND LIABILITIES		**2,037,810,293**	**(11,625,448)**	**2,026,184,845**

RECONCILIATION OF SHAREHOLDERS' EQUITY AS AT 31 MARCH 2014

	Notes	Previous GAAP	Effect of transition to IFRS	IFRSs
		= N =	= N =	= N =
Assets				
Non - Current Assets				
Fixed Assets	d	17,201,084	(17,201,084)	-
Property, Plant & Equipment	d	-	17,201,084	17,201,084
Deferred Income Tax		-	-	-
		17,201,084	-	17,201,084
Current Assets				
Debtors and Prepayments	e	2,824,906,996	(2,824,906,996)	-
Receivable and Prepayments	e	-	2,859,427,954	2,859,427,954
Bank Balances	f	407,870,554	(407,870,554)	-
Cash and Cash Equivalents	f	-	407,870,554	407,870,554
		3,232,777,550	34,520,957	3,267,298,508
TOTAL ASSETS		**3,249,978,635**	**345,20,957**	**3,284,499,592**
CURRENT LIABILITIES				
Amount falling due within 1 year:				
Creditors and Accurals	e	2,134,227,197	(2,134,227,197)	
Trade Payables	e	-	147,333,831	147,333,831
Other Payables	e	-	1,818,219,092	1,818,219,092
Income Tax Liabilities	e	-	203,195,231	203,195,231
		2,134,227,197	34,520,957	2,168,748,154
Amount falling due after 1 year:				
Unsecured Loan from Tech Mahindra Limited India		321,900,000	-	321,900,000
Deferred Tax Liabilities		21,194,946	-	21,194,946
		343,094,946	-	343,094,946
Equity and Liabilities				
Equity Attributable to Owners				
Share Capital		153,040,026	-	153,040,026
Profit and Loss Account	g	619,616,466	(619,616,466)	-
General Reserve	g		619,616,466	619,616,466
		772,656,492	0	772,656,492
TOTAL EQUITY AND LIABILITIES		**3,249,978,635**	**34,520,957**	**3,284,499,592**

NOTES TO THE RECONCILIATION

a Reclassification of Revenue from Services

Under NGAAP, the company revenue are disclosed as turnover. Under IFRS, revenue are disclosed as revenue from services. A further reclassification of N 29,715,735.54 was made from revenue from services to other income.

b Reclassification of Subcontracting Expenses

Under NGAAP, the company expenses that are directly attributed to the revenue generating activities are disclosed as direct expenses. Under IFRS, expenses that are directly attributed to the revenue generating activities are disclosed as subcontracting expenses.

c Reclassification of Finance Cost and Administrative Expenses

Under NGAAP, the company financing expenses are disclosed as Interest Expense/Similar Charges and other expenses disclosed as administrative expenses. Under IFRS, financing expenses are disclosed as finance cost and other expenses further classified as personnel cost, administrative expenses and depreciation.

A further reclassification of N 1,781,000 was made from finance cost to administrative expenses.

d Reclassification of Property, Plant & Equipment

Under NGAAP, the company capital assets are disclosed as fixed assets. Under IFRS, capital assets are disclosed as property, plant & equipment.

e Reclassification of Recievable & Prepayments, Trade Payable and Other Payable

Under NGAAP, the company current assets are disclosed as debtors and prepayments and current liabilities disclosed as creditors and accruals. Under IFRS, current assets are disclosed as receivables and prepayments and current liabilities further classified trade payable and other payable.

A further reclassification of N 11,625,448 and N 34,520,957 (1 April 2013 and 31 March 2014) respectively was made from receivables and prepayments to other payable.

f Reclassification of cash and cash equivalent

Under NGAAP, the company cash at bank are disclosed as bank balances. Under IFRS, cash at bank are disclosed as cash and cash equivalent.

g Reclassification of General Reserve

Under NGAAP, the company retained earnings are disclosed profit and loss account. Under IFRS, retained earnings are disclosed as general reserve.

TECH MAHINDRA SOUTH AFRICA (PTY) LTD

Board of Directors

Mr. Lakshminarayanan Ravichandran

Mr. Milind Kulkarni

Mr. Girish Bhat

Mr. Hurdeen Rikash

Mr. Farhadh Dildar

Registered Office

56 Karee Drive, Walton Road

Carlswald,

Gauteng

1685

Bankers

First National Bank

HSBC Bank Ltd.

Auditors

Irshad Nakhooda Incorporated

Registered Auditors

Chartered Accountants (S.A.)

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future:

Rikash Ramraj Hurdeen **Girish Bhat (Indian)**

Johannesburg
21 April 2015

Milind Vasant Kulkarni (Indian) **Ravichandran Lakshminarayanan (Indian)**

INDEPENDENT AUDITORS' REPORT

To the shareholders of TECH MAHINDRA SOUTH AFRICA (PTY) LTD

We have audited the financial statements of TECH MAHINDRA SOUTH AFRICA (PTY) LTD, as set out on pages herein, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Companies Act No 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of TECH MAHINDRA SOUTH AFRICA (PTY) LTD as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act No 71 of 2008.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2015, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. This report is the responsibility of the respective preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

Irshad Nakhooda Incorporated **21 April 2015**

Chartered Accountants (S.A.)

Registered Auditors **Johannesburg**

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of TECH MAHINDRA SOUTH AFRICA (PTY) LTD for the year ended 31 March 2015.

1. Incorporation

The company was incorporated in South Africa on 26 February 2008 and obtained its certificate to commence business on the same day.

2. Nature of business

The company is engaged in providing of information technology services and solutions and operates principally in South Africa

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

4. Share capital

			2015	2014
Authorised			**Number of shares**	
Ordinary shares			**1 000**	1 000
	2015	2014	**2015**	2014
Issued	**R**	R	**Number of shares**	
Ordinary shares	**100**	100	**100**	100

There have been no changes to the authorised or issued share capital during the year under review.

5. Dividends

Given the current state of the global economic environment, the board of directors believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the board of directors has resolved not to declare a dividend for the financial year ended 31 March 2015.

6. Directors

The directors in office at the date of this report are as follows:

Directors

Rikash Ramraj Hurdeen
Milind Vasant Kulkarni (Indian)
Girish Bhat (Indian)
Ravichandran Lakshminarayanan (Indian)
Farhadh Dildar
There have been no changes to the directorate for the period under review.

7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

8. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

9. Auditors

Irshad Nakhooda Incorporated continued in office as auditors for the company for 2014 in accordance with Section 90 of the Companies Act No 71 of 2008..

10. Secretary

The company secretary is Morestat Corporate Services (Pty) Ltd.

STATEMENT OF FINANCIAL POSITION

	Note(s)	2015	Figures in Rand 2014
Assets			
Current Assets			
Work in progress	3	**2,590,400**	-
Trade and other receivables	4	**6,651,185**	65 039
Rental deposit		**232,015**	-
Cash and cash equivalents	5	**330,122**	3,130,777
		9,803,722	3,195,816
Total Assets		**9,803,722**	3,195,816
Equity and Liabilities			
Equity			
Share capital	6	**100**	100
Accumulated loss		**(3,894 637)**	(2,214,821)
		(3,894 537)	(2,214,721)
Liabilities			
Non-Current Liabilities			
Loans from shareholders	2	**9,555,066**	5,387,153
Current Liabilities			
Trade and other payables	7	**4,143,193**	23,384
Total Liabilities		**13,698,259**	5,410,537
Total Equity and Liabilities		**9,803,722**	3,195,816

STATEMENT OF COMPREHENSIVE INCOME

		Figures in Rand	
	Note(s)	**2015**	2014
Revenue			
Services rendered	1.5	**7,485,355**	-
Cost of services rendered			
Cost of services rendered		**(3,438,525)**	-
Work in progress	3	**2,590,400**	-
		(848,125)	-
Gross profit		**6,637,230**	-
Other income			
Interest received	9	**3,965**	2,578
Operating expenses			
Accounting fees		**37,400**	40,625
Administration and management fees		**48,600**	52,650
Advertising		**87,165**	42,314
Auditors remuneration		**41,000**	27,000
Bank charges		**12,771**	17,242
Computer expenses		**-**	2,435
Consulting services		**4,106,518**	352,070
Courier charges		**-**	3,740
Donations		**-**	40 000
Employee costs		**2,152 552**	1,078,552
Lease rentals on operating lease		**396,438**	121,582
Legal expenses		**900**	-
Printing and stationery		**16,699**	12,267
Loss on foreign exchange differences		**716,084**	223,980
Staff training		**50,740**	49,800
Subscriptions		**10,300**	990
Telephone and fax		**167,768**	29,498
Travel - overseas		**74,547**	64,769
		7,919,482	2,159,514
Operating loss		**(1,278,287)**	(2,156,936)
Finance costs	10	**(401,529)**	(33,390)
Loss for the year	11	**(1,679,816)**	(2,190,326)
Total comprehensive loss for the year		**(1,679,816)**	(2,190,326)

STATEMENT OF CHANGES IN EQUITY

Figures in Rand

	Share capital	Accumulated loss	Total equity
Balance at 01 April 2013	100	(24,495)	(24,395)
Loss for the year	-	(2,190,326)	(2,190,326)
Total comprehensive loss for the Thirteen months	-	-	-
Total comprehensive loss for the year	**-**	(2,190,326)	(2,190,326)
Balance at 01 April 2014	100	(2,214,821)	(2,214,721)
Loss for the year	-	(1,679,816)	(1,679,816)
Other comprehensive Income	-	-	-
Total comprehensive loss for the year	-	(1,679,816)	(1,679,816)
Balance at 31 March 2015	**100**	**(3,894,637)**	**(3,894,537)**
Note (6)			

STATEMENT OF CASH FLOWS

Figures in Rand

	Note(s)	2015	2014
Cash flows from operating activities			
Cash used in operations	12	**(6,338,989)**	(2,207,031)
Interest income		**3,965**	2,578
Finance costs		**(401,529)**	(33,390)
Net cash from operating activities		**(6,736,553)**	(2,237,843)
Rental deposit		**(232,015)**	-
Cash flows from financing activities			
Increase in shareholders loan		**4,167,913**	5,354,821
Net cash from financing activities		**4,167,913**	5,354,821
Total cash movement for the year		**(2,800,655)**	3,116,978
Cash at the beginning of the year		**3,130,777**	13,799
Total cash at end of the year	5	**330,122**	3,130,777

ACCOUNTING POLICIES

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act No 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

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

Deferred tax asset balances are reviewed at every reporting date to ensure that any deferred tax asset balance carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income (i.e. continuing operations, discontinued operations, or other comprehensive income) or equity as the transaction or other event that resulted in the tax expense.

1.2 Work in progress

Where the outcome of work in progress can be estimated reliably, contract costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period measured on the first in first out method. (FIFO). .

1.3 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.4 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in the functional currency of the company, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- foreign currency monetary items are translated using the closing rate;

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

1.5 Turnover

Turnover comprises of services rendered to customers and is stated at the invoice amount exclusive of value added taxation.

NOTES TO THE FINANCIAL STATEMENTS

	Figures in Rand	
	2015	2014
2. Loans to (from) shareholders		
Tech Mahindra Limited Incorporated in India ($ 510,999)	**(6,238,496)**	(5,295,000)
Interest of R 134,276 ($ 10,999 at a rate R 12.21) was charged for the year at 1.85% p.a.		
Falcorp Technologies (Pty) Ltd.	**(3,316,570)**	(92,153)
Interest of R 233,413 was charged for the year at 7.5% p.a.		
	(9,555,066)	(5,387,153)

The above loans are unsecured and have been subordinated in favour of third party creditors until the solvency of the company has been restored, as per the signed subordinated loan agreements

3. Vat refund		
Contracts in progress at the reporting period		
Contracts in progress	**2,590,400**	-

4. Trade and other receivables		
Trade receivables	**6,318,513**	-
VAT	**32,472**	65,039
Staff advance for travelling	**300,200**	-
	6,651,185	65,039

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balance - foreign ($23,411 at a rate of R12.21)	**285,808**	2,101,053
Bank balances - local	**44,314**	1,029,724
	330,122	3,130,777

6. Share capital		
Authorised		
1000 Ordinary shares of R1 each	**1,000**	1,000

900 unissued ordinary shares are under the control of the directors in terms of a resolution of shareholders passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued		
100 Ordinary shares of R1 each	**100**	100

7. Trade and other payables		
Trade payables	**257,990**	23,384
Falcorp Technologies (Pty) Ltd	**1,723,543**	-
Tech Mahindra Limited Incorporated In India	**2,161,660**	-
	4,143,193	23,384

NOTES TO THE FINANCIAL STATEMENTS

	Figures in Rand	
	2015	2014
8. Revenue		
Services rendered	**7,485,355**	–
9. Investment revenue		
Interest revenue		
Bank	**3,965**	2,578
10. Finance costs		
Non-current borrowings (refer to note 2)	**367,689**	33,390
Interest and penalties paid	**33,840**	–
	401,529	33,390

11. Taxation

Major components of the tax expense

No provision has been made for 2015 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R (3,889,119) (2014: R 2,243,143).

12. Cash used in operations		
Loss before taxation	**(1,679,816)**	(2,190,326)
Adjustments for:		
Interest received - investment	**(3,965)**	(2,578)
Finance costs	**401,529**	33,390
Changes in working capital:		
Trade and other receivables	**(6,586,146)**	(65,039)
Construction contracts and receivables	**(2,590,400)**	-
Trade and other payables	**4,119,809**	17,522
	(6,338,989)	(2,207,031)

NOTES TO THE FINANCIAL STATEMENTS

13. Related parties

Relationships

Holding company	Tech Mahindra Limited Incorporated in India
Shareholder with significant influence	Falcorp Technologies (Pty) Limited

Related party balances and transactions with entities with control, joint control or significant influence over the company

Figures in Rand

	2015	2014
Related party balances		
Amounts owing (to) by related parties		
Tech Mahindra Limited Incorporated in India	**8,400,156**	5,295,000
Falcorp Technologies (Pty) Limited	**5,040,113**	92,153
	13,440,269	5,387,153
Tech Mahindra Limited Incorporated in India		
Balance at beginning of the year	**5,295,000**	-
Loan received / paid (incl. revaluations) during the year	**943,496**	5 295 000
Debit notes received during the year	**2,161,660**	-
Balance at end of the year	**8,400,156**	5,295,000
Falcorp Technologies (Pty) Limited		
Balance at beginning of the year	**92,153**	32,332
Loans received during the year (net of payments)	**3,224,417**	59,821
Debit notes received during the year (net of payments)	**1,723,543**	-
Balance at end of the year	**5,040,113**	92,153

TAX COMPUTATION

Figures in Rand

	2015
Net loss per income statement	(1 679 816)
Permanent differences (Non-deductable/Non taxable items)	
Interest, penalties paid in respect of taxes (s 23(d))	33 840
Calculated tax loss for the year	**(1 645 976)**
Assessed loss brought forward	(2 243 143)
Assessed loss for 2015 - carried forward	**(3 889 119)**
Tax thereon @ 28% in the Rand	Nil
Reconciliation of tax balance	
Tax owing / (prepaid) for the current year:	

COMVIVA TECHNOLOGIES LIMITED

Board of Directors

Mr. C. P. Gurnani

Mr. Vineet Nayyar

Mr. Ulhas N. Yargop

Mr. Jagdish Mitra

Mr. Manoj Kumar Kohli

Mr. Manoranjan Mohapatra

Mr. Devendra Khanna

Mr. Rajat Mukherjee

Ms. Sunita Umesh

Registered Office

A-26, Info City, Sector - 34,

Gurgaon, Haryana - 122001

Bankers

IDBI Bank Ltd.

Standard Chartered Bank

Auditors

Deloitte Haskins & Sells LLP

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Sixteenth Annual Report together with Audited Balance Sheet and Statement of Profit & Loss for the year ended on March 31, 2015.

The major Financial Highlights are as under:

FINANCIAL RESULTS	**2014-15 (₹ in Mn except EPS)**	2013-14 (₹ in Mn except EPS)
Total Income	**6,395**	5,688
Profit(Loss) before Depreciation & Taxation	**1,403**	1,110
(-)Depreciation	**(212)**	(187)
Profit (Loss) before Taxation	**1,191**	923
(-) Provision for Income Tax	**(392)**	(295)
(-) Provision for Wealth Tax	**-**	-
(-) Deferred Tax charge	**(48)**	(33)
(+) MAT Credit Adjustment/Entitlement	**-**	-
Profit (Loss) for the period	**751**	595
EPS Basic	**34.35**	27.20
EPS Diluted	**34.35**	27.19

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR

Total Revenue for the year 2014-15 is INR 6,373 Mn as against INR 5,653 Mn in previous year.

During the year, the company has continued to witness strong order booking from the Domestic and international markets, particularly in Africa - which remains a strong market for the company followed by Asia and Latin America. We won large multiproduct deals with large telecom service providers in Asia and Africa. To add to that, we have added some key logos in our portfolio in LatAm, Asia and Middle East. Order book of our traditional products like Messaging, Lifestyle, PreTUPS and mobiquity® continues to be strong, with recent traction towards the new products of Commerce portfolio- Wallet, PayPlus, NFC. The company's strategy of focusing on key accounts for cross-sell/up-sell of new products has clearly reaped dividends.

In terms of geographic growth, LATAM is identified as the region we want to seed and grow in the short term, given the market growth for some of our key product lines including Mobile Commerce and Mobile Music. As another initiative, The Company also spun off a new product portfolio called the Customer Value Solutions which include solutions for campaign and loyalty management, churn reduction and increasing lifetime value of the subscriber. This business is generating a lot of interests in our focussed markets where churn is extremely high.

The company continues to retain focus on the developing markets and is leveraging its existing customer relationships. Company has started leveraging the Tech Mahindra sales channel for opening doors in the developed markets of US, Europe and parts of Asia Pacific. To start with, we are approaching Tech Mahindra's key customers to identify white spaces for our products and expect to leverage Tech Mahindra's strengths more in coming year specifically in the developed markets.

Along with the continued investment in its existing product portfolio, Company is making significant investments in our big bets. These are initiatives which could become significantly large in medium to long term. Some of them include TERRA (A cross border money remittance business), Wallet, D2C business in Mobile Content and Mobile Commerce.

In the space of technology and innovation, 25 new Patents were filed in FY 14 and FY15. Some of them include Hybrid HCE Security, AD funded and Distributed POS, Split Bill, Merchant Loyalty, Quad play recharge experience, etc.

The company also won many significant awards and mentions over the last year. These include the MEFFY's for Mobile Money, Frost & Sullivan ICT award for the Mobile Commerce Vendor of the year, Global Telecoms Business Innovations award for excellence in delivering Managed VAS Service and the Payplus offering.

The company has been regularly participating in international events to take its visibility outside India to greater heights and has been able to achieve significant recognition internationally and nationally.

The company continues to be focused towards recurring revenue business. There is increasing emphasis to grow the existing business by improving the performance of these long term engagements.

DIVIDEND

The Directors believe that there are tremendous growth opportunities for the Company and therefore the Company must invest in further expanding and strengthening its business operations. With a view to conserve cash, to fund the growth, the Directors do not recommend any dividend on Equity Shares for the year ended March 31, 2015. The Directors believe that this will increase Shareholder's value in the long term.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES- (Name of Companies Who have become or ceased to be its Subsidiary/ JV or Associate)

The company has following subsidiaries:

1. Comviva Technologies Inc.
2. Comviva Technologies Nigeria Limited
3. Comviva Technologies Singapore PTE Ltd.
4. Comviva Technologies FZ LLC
5. Hedonmark Management Services Limited (Subsidiary of Comviva Technologies Nigeria Limited)

The company has incorporated a subsidiary in the name of Comviva Technologies B.V. at Amsterdam, Netherlands on 30th April 2015. It also acquired a Shelf company in South Africa to fast track business kickoff &have renamed it as TERRA Payment Services South Africa (Pty) Ltd for which Share transfer is yet to happen.

DEPOSITS

The Company has not accepted any deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Chapter V of the Companies Act, 2013.

STATUTORY AUDITORS AND THEIR REPORT

The Statutory Auditors of the Company, M/s Deloitte Haskins and Sells LLP, (Firm registration no. 117366W/W-100018), Chartered Accountants, Pune shall retire at the conclusion of the ensuing Annual General Meeting and have confirmed their willingness and eligibility for re-appointment and have also confirmed that the re-appointment, if made, would be in compliance of Section 139 and 141 of the Companies Act, 2013.

The Board has duly examined the Statutory Auditors Report to Accounts and clarifications, wherever necessary, have been included in the Notes to Accounts.

SECRETARIAL AUDITOR'S REPORT

Secretarial Audit Report given by M/s Harish Khurana & Associates, a company secretary in practice has been annexed as "Annexure-1" with this report-

The Board of Directors shall provide explanations or comments on every qualification, reservation or adverse remark or disclaimer made by the company secretary in practice in the secretarial audit report.

EMPLOYEES STOCK OPTION PLANS

The Company has seven ESOP Schemes implemented for the employees of the Company. In FY 2012-13, company offered cash in lieu of swap of share. Most of the employees opted for the scheme. The details of Stock Options under the Schemes are provided in Notes to accounts (No.26) along with the financial statements. The Shareholders may refer to the same.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 has been annexed as Annexure 2 with this report.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of directors duly met 5 times during the financial year, notices convening meeting of the Board were duly send to all the directors.

Further, also there were 4 meetings of Audit Committee; HR, Remuneration and ESOP Committee and CSR Committee were held during the financial year 2014-15.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO UNDER SECTION 134(3)(m)

(A) CONSERVATION OF ENERGY

a) The steps taken or impact on conservation of energy :

Conservation of energy is of utmost significance to the Company. Operations of the Company are not energy intensive. However, every effort is made to ensure optimum use of energy by using energy- efficient computers, processes and other office equipment. Constant efforts are made through regular/ preventive maintenance and upkeep of existing electrical equipment to minimize breakdowns and loss of energy.

b) The steps taken by the company for utilising alternate sources of energy :

As Company has taken all their premises on lease, alternate source of energy could not installed.

c) The capital investment on energy conservation equipment :

There is no capital investment on energy conservation equipment.

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption

The Company is continuously making efforts for induction of innovative technologies and techniques required for the business activities.

Details of Technology Absorption are given as follows

- Research and Development (R&D)

(a) Specific Area in which R and D Carried Out By the company

Research & Development of new features, designs, frameworks and methodologies continue to be of importance to the Company. It not only allows enhancing quality of products and customer satisfaction but also enhances the revenues of customer satisfaction but also enhances the revenues of customer through robust and innovative products.

The Company continues to do R&D in the areas of Data, mCommerce including mBanking, WEBAxn thus improving service capabilities having field some patents in the field.

R&D primarily consists of (1) New product development (2) creating new features and upgrades / version of existing product as per either internal product road map, or customer requirement and (3) development work by the Core Engineering Team on the common components that are utilized as part / addition to products developed by the various PU's.

Mahindra Comviva after having surpassed its vision of touching billion lives through its offerings has embarked on a vision of building 'Mobility solutions that transforms lives'. The three main pillars of its R & D efforts are around 'Date, Content and Commerce' and adjunct focus areas are Customer Value Solutions and managed Services.

(b) The benefits derived like product improvement, cost reduction, product development or import substitution;

Continuous R&D is instrumental in building expertise and increasing revenues through enhancement in functionalities and introduction of new products. The organization is receiving significant client traction for new market capabilities including WEBAxn, Mobiquity and Data Platforms. Continuous R&D is helping us and our customers in following ways:

- New features to attract additional customers.
- Introduction of new products.
- Better system / product stability
- System / resource optimization-more transaction using same hardware infrastructure
- Reduction in cost of ownership
- Simplicity and user convenience for managing his mobile related services

Our focused R &D efforts has helped us win various Innovation awards and helped us achieve leadership in the areas of mobile Finance in our chosen markets.

(c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Company has not Imported Technology during Last Three years reckoned from the beginning of the financial year

(ii) <u>The expenditure incurred on Research and Development.</u>

Sl. No.	**Particulars**	**Current year**	Previous year
1	Capital	**11.2**	20.9
2	Recurring	**311.7**	451.4
3	Total	**322.8**	472.3
4	Total R&D expenditure as a percentage of total turnover	**5%**	8%

(C) FOREIGN EXCHANGE EARNINGS & OUTFLOWS

The Company is making continuous efforts to increase its sales in overseas markets and to explore new export markets. During the year under review, the Company has ventured into new markets. As a result, during the year under review, the Company's exports have increased substantially as compared to the last year.

(Amount in Mn)

Details of Foreign Exchange Earnings & Outflows	**Financial Year Ended 31st March, 2015**	Financial Year Ended 31st March, 2014
Foreign Exchange Earnings	**4,491**	4,486
Foreign Exchange Outflows	**1,870**	1,885

DIRECTORS

A. Changes in Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013, Mr. Devendra Khanna(DIN- 01996768) and Mr. Jagdish Mitra (DIN- 06445179) Directors, retires by rotation and being eligible, offer themselves for re-appointment in the forthcoming Annual General Meeting. They have also given confirmation to the Company that they are not disqualified to be re-appointed as Director as per Section 152 of the Companies Act, 2013.

The designation of Mr. Manorajan Mohapatra (DIN-00043930) has been changed from Whole-time director to Managing director of the Company with effect from 28th day of January, 2015

The Board has appointed Mr. Rajat Mukherjee (DIN-03431635) and Ms. Sunita Umesh (DIN-06921083) with effect from 30-3-2015 in compliance under section 149 (4) & (6) of the Companies Act, 2013 which was ratified in Extra-ordinary General Meeting held on dated 6th day of May, 2015 appointed

Mr. Sriram Gopalakrishanan is holding dual position as CFO and Company Secretary of the Company in compliance of Section 203 of the Companies Act, 2013.

B. Declaration by an Independent Director(s)

Declaration from Independent Directors that they meet the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 has been annexed as per Annexure 3.

C. Commission paid to Managing or Whole-time director of the company

Provisions of Section 197(14) of the Act are not applicable in case of Managing Director of the Company.

D. Formal Annual Evaluation

The Independent Directors has been appointed on 30th March 2015 therefore the Board has initiated the process of evaluation of its own performance and that of its committees and individual directors from next Quarter.

<u>PARTICULAR OF EMPLOYEES u/s 197 OF THE COMPANIES ACT, 2013 r/w COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014</u>

The particulars of employees under section 197of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended forms part of this report. Details of remuneration paid by the Company during the financial year are annexed with this report as Annexure 4.

BOARD COMMITTEES

The Audit Committee consists of the following Directors:

(i) Mr. UlhasYargop

(ii) Mr. Rajat Mukherjee; and

(iii) Ms. Sunita Umesh

Ms. Sunita Umesh is Chairman of the said Committee.

The nomenclature of HR, Remuneration and ESOP Committee has been changed as Nomination and Remuneration Committee as per the requirement of section 178 of the companies Act, 2013 and the policy formulated on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3) has been enclosed as "Annexure-7."

The Nomination and Remuneration committee consist of the following Directors:

(i) Mr. Manoj Kohli

(ii) Mr. Chander Prakash Gurnani

(iii) Mr. Rajat Mukherjee; and

(iv) Ms. Sunita Umesh

Mr. Chander Prakash Gurnani is Chairman of the said Committee.

CSR (CORPORATE SOCIAL RESPONSIBILITIES) COMMITTEE

a. Composition of the Corporate Social Responsibility (CSR) Committee-The CSR Committee consists of the following -

(i) Mr. Manoranjan Mohapatra

(ii) Mr. Ulhas Yargop

(iii) Mr. Rajat Mukherjee

(iv) Ms. Sunita Umesh

Mr. Rajat Mukherjee is chairman of the said committee.

b. Disclose contents of the CSR Policy and initiatives taken in the Board's Report-The format has been annexed with this report as Annexure 5.

c. If the company fails to spend the requisite amount on CSR activities, the Board shall in its report specify the reasons for not spending the amount.

POLICY TO PREVENT AND DEAL WITH SEXUAL HARASSMENT

The Policy to Prevent & Deal with Sexual Harassment at Work place was announced during the last financial year as per the "sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

The Internal Complaint Committee was formed (see below) and the details were shared with all employees. Advocate Raavi Birbal is the external member in this committee.

Gurgaon	Bangalore	Mumbai
Poonam Tharad	Poonam Tharad	Poonam Tharad
Tripti Vini	Ashwath Subramanya	Rahul Choube
Ajay Gurnani	Lata Rishi	Lianne Rodrigues
Ramutar Goel	Nitin Jain	Tanveer Mahmood M
Aparna GV	Aparna GV	Aparna GV

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The company has adopted the whistle blower policy which is available on company website. It has been publicized to employees to use it.

RISK MANAGEMENT POLICY

Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management system, organizational; structure, processes, standards, code of conduct and behaviours together form the risk management matrix that govern how the company conducts the business and manages associated risks.

Company has introduced several improvements to integrated Enterprise Risk Management, Internal Controls Management and Assurance Framework and Processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by fully aligned across company wide risk management, internal control and internal audit methodologies and process.

Company risk management policy was reviewed and approved by the committee.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Name of Body Corporate	Nature of transaction (whether Loan/ Guarantee/Security/ Acquisition)	Amount of Loan/Security/ Acquisition/ Guarantee (in ₹)	Purpose of Loan/Acquisition/ Guarantee/Security
Comviva Technologies Singapore PTE Ltd	Loan	25,583,835	Towards the Objectives of MOA and AOA and ongoing funding Requirements as per Business Plan
Comviva Technologies Singapore PTE Ltd	Acquisition of Shares	42,160	Investment in Subsidiaries
Comviva Technologies FZ-LLC	Acquisition of Shares	767,800	Investment in Subsidiaries
Comviva Technologies Inc	Acquisition of Shares	4,939,520	Investment in Subsidiaries
Comviva Technologies Nigeria Limited	Acquisition of Shares	2,946,203	Investment in Subsidiaries
	Total (₹)	**34,279,518**	

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 has been annexed in AOC-2 as "Annexure 6."

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There is no Significant and material orders passed by the regulators or courts or tribunals impacting going concern status and company's operations in future

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIALS CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Chief Financial Officer has given a presentation on scope of Internal Financial Control, the current internal control environment and measures taken to manage risk to the Board. The Audit Committee and the Board were satisfied with the actions taken by the company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is confirmed:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors on behalf of the Company and management express their gratitude for the co-operation and support received from Customers, Vendors, Shareholders, Bankers, various agencies and departments of Government.

The Directors also place on record their appreciation for the true team spirit, valued contributions and efforts put in by the employees at all levels.

For and on behalf of the Board of Directors

	Manoranjan Mohapatra	**Devendra Khanna**
Place : New Delhi	**Managing Director**	**Director**
Date : May 20, 2015	**DIN: 00043930**	**DIN: 01996768**

ANNEXURE-1

HARISH KHURANA & ASSOCIATES
Company Secretaries

G-1/208-29,IInd Floor,Sector-16
Rohini, Delhi-110085
Cell:98111 02068
Land Line: 011-27894114/4194
E-mail: Khurana.harish@gmail.com
office@roseconsultants

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 2014 – 15
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Comviva Technologies Limited
A-26, Info City, Sector - 34,
Gurgaon (Haryana)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Comviva Technologies Limited, **(hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, e-Forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minute books, e-forms and returns filed and other records maintained by Comviva Technologies Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made thereunder;
2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6) Other applicable laws like the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972 and the Maternity Benefit Act, 1961 and rules made there under as applicable to the Company.

We have not examined compliances of the followings, as provisions of para (i) were not in place till 31st March, 2015 and provisions of para (ii) are not applicable to the Company (being unlisted public company).

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with N.A. Stock Exchange(s), if applicable;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Company Secretary of the Company is holding dual position as CFO also under the provisions of section 203 of the Act.

Adequate notice is given to all directors to schedule the Board Meetings at least seven days in advance along with agenda except detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Acts, rules and regulations stated above at para no. 2& 5 are not applicable to the Company;however we have been informed that there was no transaction reported under the provisions of FEMA, during the year under report.

Signature:
Harish Khurana & Associates
Company Secretaries
FCS No. 4835
C P No.: 3506

Place : New Delhi
Date : May 18, 2015

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To
The Members,
Comviva Technologies Limited
A-26, Info City, Sector - 34,
Gurgaon (Haryana)

Our report of even date is to be read along with this letter.

(1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

(4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither as assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:
Harish Khurana & Associates
Company Secretaries
FCS No. 4835
C P No.: 3506

Place : New Delhi
Date : May 18, 2015

ANNEXURE-2

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS-

i) CIN: U72200HR1999PLC041214

ii) Registration Date:7th May, 1999

iii) Name of the Company: Comviva Technologies Limited

iv) Category / Sub-Category of the Company: Company limited by shares

v) Address of the Registered office and contact details: A-26, Info City, Sector-34, Gurgaon-122001, Haryana; e-mail: sriram.g@comviva.com

vi) Whether listed company ~~Yes~~ / No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY-

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Software services	47413	51%
2	Revenue sharing arrangements	47411	22%
3	Annual maintenance contract services	62013	14%
4	Sale of equipment and software licenses	47411	13%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING /SUBSIDIARY /ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Tech Mahindra Limited Gateway Building, Apollo Bunder, Mumbai-40001, Maharashtra	L64200MH1986PLC041370	Holding Company	67.12%	Section 2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)-

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER									
(1) Indian									
a) Individual/HUF									
b) Central Govt.									
c) State Govt .(s)									
d) Bodies Corp.	19199046	317092	19516138	89.26%	19199046	317092	19516138	89.26%	Nil
e) Banks / FI									
f) Any other….									
Sub-total (A) (1):-	**19199046**	**317092**	**19516138**	**89.26%**	**19199046**	**317092**	**19516138**	**89.26%**	**Nil**
(2) Foreign									
a) NRIs - Individuals									
b) Other -Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any other….									
Sub-total (A) (2):-									
Total shareholding of Promoter									
(A) =(A)(1)+(A)(2)	**19199046**	317092	19516138	89.26%	19199046	317092	19516138	89.26%	Nil
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds	2170931	--	2170931	9.93%	2170931	--	2170931	9.93%	Nil
i) Others (Specify)	--	148636	148636	0.68%	--	148636	148636	0.68%	Nil
Sub-total (B)(1):-	**2170931**	**148636**	**2319567**	**10.61%**	**2170931**	**148636**	**2319567**	**10.61%**	**Nil**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	24508	4637	29145	0.13%	24508	4637	29145	0.13%	Nil
c) Others (Specify)									
Sub-total (B) (2):-	24508	4637	29145	0.13%	24508	4637	29145	0.13%	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	**2195439**	**153272**	**2348712**	**10.74%**	**2195439**	**153272**	**29145**	**10.74%**	**Nil**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**21394485**	**470364**	**21864849**	**100%**	**21394485**	**470364**	**21864849**	**100%**	**Nil**

ii. Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Tech Mahindra Limited	14675088	67.12%	--	14675088	67.12%	--	Nil
2.	Bharti (SBM) Holdings Private Limited	1936420	8.86%	--	1936420	8.86%	--	Nil
3.	Bharti (RM) Holdings Private Limited	1210262	5.54%	--	1210262	5.54%	--	Nil
4.	Bharti (RBM) Holdings Private Limited	1210262	5.53%	--	1210262	5.53%	--	Nil
5.	Bharti (Satya) Trustees Private Limited	484106	2.21%	--	484106	2.21%	--	Nil
	Total	19516138	89.26%	--	19516138	89.26%		--

iii. Change in Promoters' Shareholding (please specify, if there is no change)

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Tech Mahindra Limited** At the beginning of the year	14675088	67.12%	14675088	67.12%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	14675088	67.12%	14675088	67.12%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**West Bridge Ventures II Investment Holdings**				
	At the beginning of the year	2170931	9.93%	2170931	9.93%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	2170931	9.93%	2170931	9.93%
2.	**Comviva ESOP Trust**				
	At the beginning of the year	148636	0.68%	148636	0.68%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	148636	0.68%	148636	0.68%
3.	**Ajay Dureja**				
	At the beginning of the year	24508	0.11%	24508	0.11%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	24508	0.11%	24508	0.11%
4.	**Girish Pai**				
	At the beginning of the year	1700	0.01%	1700	0.01%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	1700	0.01%	1700	0.01%

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	**Adarsh Krishna**				
	At the beginning of the year	1000	--	1000	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	1000	--	1000	--
6.	**Vikas Wattal**				
	At the beginning of the year	500	--	500	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	500	--	500	--
7.	**Amrita Agarwal**				
	At the beginning of the year	500	--	500	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	500	--	500	--
8.	**Archana Singh**				
	At the beginning of the year	463	--	463	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	463	--	463	--
9.	**Raja Bhaskar Goru**				
	At the beginning of the year	164	--	164	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	164	--	164	--
10.	**Ajay Goel**				
	At the beginning of the year	75	--	75	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	75	--	75	--

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year · Addition · Reduction				
Net Change				
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/~~WTD~~/ ~~Manager~~	Total Amount
		Mr. Manoranjan Mohapatra	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,711,839	39,711,839
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	32,400
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify…		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act	4,43,04,789	4,43,04,789

B. Remuneration to other Directors:

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors ● Fee for attending board /committee meetings ● Commission ● Others, please specify					
	Total (1)					
	2. Other Non-Executive Directors ● Fee for attending board /committee meetings ● Commission ● Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD-

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	**Company Secretary cum CFO**	**Total Amount**
1.	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	11,765,371	11,765,371
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	--		
2.	Stock Option	--		
3.	Sweat Equity	--		
4.	Commission - as % of profit - others, specify…	--		
5.	Others, please specify	--		
	Total	**--**	11,765,371	11,765,371

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For Comviva Technologies Limited

Manoranjan Mohapatra
(Managing Director)
Din: 00043930

ANNEXURE-3

DECLARATION OF INDEPENDENCE

To
The Board of Directors
Comviva Technologies Limited
A-26 Infocity, Sector - 34
Gurgaon - 122001
Haryana, India

Date: 30th March 2015

Sub: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013.

I, **Mr. Rajat Mukherjee** , hereby certify that I am a Non-executive Independent Director of **Comviva Technologies Limited** , New Delhi and comply with all the criteria of independent director as envisaged in Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
  a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
    c. holds together with my relatives 2% or more of the total voting power of the company; or
    d. is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,
Yours faithfully,

Rajat Mukherjee
DIN: 3431635

ANNEXURE-3

DECLARATION OF INDEPENDENCE

Date: 30th March 2015

To
The Board of Directors
Comviva Technologies Limited
A-26 Infocity, Sector - 34
Gurgaon - 122001
Haryana, India

Sub: Declaration of independence under sub-section (6) of section 149 of the Companies Act, 2013.

I, **Sunita Umesh** , hereby certify that I am a Non-executive Independent Director of **Comviva Technologies Limited**, New Delhi and comply with all the criteria of independent director as envisaged in Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
  a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the c ompany or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
     a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
     b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
     c. holds together with my relatives 2% or more of the total voting power of the company; or
     d. is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Sunita Umesh
DIN: 6921083
Address-515A, Hamilton Court,
DLF Phase-IV
Gurgaon

ANNEXURE-4 **Annexure**

STATEMENT ANNEXED TO THE BOARD'S REPORT FOR THE YEAR ENDED 31-03-2015

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Employed throughout the F.Y. and in receipt of remuneration not less than INR 60 Lakh per annum

Name	Age in years	Designation	Date of commencement of employment	Remuneration received (₹)	Qualification & experience in years	Nature of employment, whether contractual or otherwise	Last employment held before joining the company	% of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	whether employee is a relative of any director or manager of the company and if so, name of such director or manager
Ambar Sur	48	Executive Vice President	02-Dec-02	21,860,481.00	Master of Science, 22 Year 1 Month	Employee	Cellcloud		No
Atul Madan	47	Senior Vice President	19-Sep-03	11,912,266.00	Bachelor of Science, 24 Year 11 Month	Employee	Mercury Corporation		No
Manoranjan Mohapatra	53	Chief Executive Officer	01-Nov-07	40,752,239.00	B.Tech.	Employee	Aricent Technologies Ltd		No
Rajendra M. Thakur	49	Vice President	03-Nov-08	6,523,859.00	Bachelor of Technology, 27 Year 6 Month	Employee	Aricent		No
Ganesh Jayadevan	50	Senior Vice President	05-Jan-09	6,943,290.00	Master of Science, 20 Year 10 Month	Employee	PSI Data Systems		No
Zunder L	43	Vice President	27-Jun-94	7,317,674.00	Master of Science, 20 Year 7 Month	Employee	NULL		No
Sandyp Bhattacharya	43	Senior Vice President	01-Apr-09	9,505,302.00	Master of Business Administration, 17 Year 5 Month	Employee	International Private Leased Circuits, Baroda		No
Ajit Kumar Jain	52	Senior Vice President	24-Sep-09	6,944,409.00	Master of Technology, 28 Year 0 Month	Employee	Gisil Designs		No
Srinivas Nidugondi	42	Senior Vice President	02-Mar-11	10,102,666.00	Post Graduate Diploma, 17 Year 6 Month	Employee	ICICI Bank		No
Sriram Gopalakrishnan	46	Chief Finance Officer	06-Jul-11	13,012,843.00	Chartered Accountant, 22 Year 4 Month	Employee	Patni Americas Inc.		No
Anurag Srivastava	45	Senior Vice President	02-Aug-12	9,513,531.00	Bachelor of Technology, 20 Year 9 Month	Employee	Nokia Siemens Networks		No
Sanjay Rastogi	47	Senior Vice President	12-Jan-12	9,134,154.00	22 Year 6 Month, Bachelor of Technology	Employee	Nokia Siemens Networks		No
Balasjith Nambiar	40	Assistant Vice President	25-Aug-03	6,915,370.00	Bachelor of Computer Sciences, 18 Year 4 Month	Employee	Wirefree Innovision		No
Kanyeki Willie Maina	41	Assistant Vice President	20-Jul-09	22,247,616.00	Bachelor of Science, 16 Year 6 Month	Employee	Cadbury Kenya		No
Ronald Kibaara Meru	34	Assistant Vice President	20-Jul-09	13,925,497.00	Master of Business Administration, 15 Year 6 Month	Employee	Kaime Investments		No
Oscae Correia	45	Vice President	20-Jun-11	8,801,178.00	Bachelor of Engineering, 20 Year 3 Month	Employee	Cellulant Kenya		No
George Dambe	41	Senior Manager	07-Jul-11	8,297,788.00	Bachelor of Science, 14 Year 4 Month	Employee	Jamii Telecom		No
Vhavasu Priscillah Vihend	36	Senior Group Manager	01-Dec-11	10,176,882.00	Bachelor of Science, 12 Year 0 Month	Employee	Virtual Group		No
James Ngalawa Mutiso	42	General Manager	01-Dec-14	8,209,572.00	Master of Business Administration, 21 Year 6 Month	Employee	Kiambu Golf Club		No
Themba	44	Assistant Vice President	01-Jul-09	6,036,369.00	16 Year, Management Development Program	Employee	Comverse Inc.		No
Sabri Amireh	58	Senior Vice President	16-Mar-03	7,037,640.00	33 Year, Bachelor of Arts	Employee	Comverse Inc.		No
Anil K Krishnan	46	Vice President	15-Jul-93	15,220,851.00	Bachelor of Engineering, 22 Year 4 Month	Employee	Hi Tech informatics		No
Kevin Alexander Hawkins	55	Vice President	07-Dec-12	6,396,376.00	Bachelor of Science, 12 Year 4 Month	Employee	Celpay Uganda		No

B. Employed for part of the F.Y. and in receipt of remuneration not less than INR 5 Lakh per month

Sunita Rajkumar Jagtiani	47	Vice President	02-Jun-14	5,386,712.00	Associate Company Secretary, 21 Year 10 Month	Employee	Amba Research India Pvt. Ltd.		No
Paul William Fourie	52	Assistant Vice President	10-Nov-14	2,268,741.00	Honours Bachelor of Commerce, 4 Year 4 Month	Employee	Unyazi Telecommunications		No

For Comviva Technologies Limited

Manoranjan Mohapatra
(Managing Director)
Din: 00043930

ANNEXURE-5

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs-**

   Our CSR vision statement: **To make concerted efforts in the area of Education for the under privileged "**

   Goal to make concerted efforts towards:

   a. Promotion of education amongst under-privileged;

   b. Support sustainable development of green environment and

   c. Topical initiatives which adversely impacts a large section of society

   The Corporate Social Responsibility (CSR) policy can be viewed at http://www.mahindracomviva.com/wp-content/uploads/2015/02/Corporate-Social-Responsibility-Policy.pdf

2. **The Composition of the CSR Committee**-The CSR committee members are as follows:

   a. Mr. Vineet Nayyar (Chairman)

   b. Mr. C. P. Gurnani

   c. Mr. Devendra Khanna

3. **Average net profit of the company for last three financial years-** ₹ 453,647,943

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)-** ₹ 9,072,958

5. **Details of CSR spent during the financial year:**

   a) Total amount to be spent for the financial year; ₹ 9,100,001

   b) Amount unspent, if any; NIL

   c) Manner in which the amount spent during the financial year is detailed below:

(Figures in INR)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1)Local area or other (2) Specify the State and district where projects or Programs was under-taken**	**Amount outlay (budget) project or programs-wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over-heads :**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency***
1.	Agraser 1 and Agraser 2 SMART Centers - 493 students	Education to under privileged children.	Gurgaon	4,100,001	4,100,001	4,100,001	4,100,001 (Tech M Foundation)
2.	Sunderhatti school and 5 Satya Bharti & 5 Learning	Education to under privileged children.	Jhajjar, Haryana, Jodhpur, Rajasthan	2,000,000	2,000,000	2,000,000	2,000,000 (Bharti Foundation)
3.	Nele (Home for the Orphans) – 180 students	Education Underprivileged - single parents / no parents.	Bangalore	1,620,000	1,620,000	1,620,000	1,620,000 (Hindu Seva Pratishthana)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1)Local area or other (2) Specify the State and district where projects or Programs was under-taken**	**Amount outlay (budget) project or programs-wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over-heads :**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency***
4.	Unnati Making youth Employable – 70 student	Vocational Education for under privileged	Bangalore- cater to Rural Karnataka	810,000	810,000	810,000	810,000 (SGBS Trust)
5.	Agrasar Bachpan School adopted for students staying in the jhuggi cluster- 45 Kids	Education for under privileged	Islampur village, Gurgaon	570,000	570,000	570,000	570,000 (Agrasar)
	TOTAL			**9,100,001**	**9,100,001**	**9,100,001**	**9,100,001**

*Give details of implementing agency:

6. **In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

   Not Applicable

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR Policy, is in compliance with CSR objectives and Policy of the company.**

   As our vision statement speak : '**To make concerted efforts in the area of Education for the under privileged '**, we have put our best effort to identify various projects and partner by going through the track record, audited financial results and going to the actual site visit which was very important and also created a lot of bonding with our CSR club volunteers. As a company, we not only want to meet the financial needs of the under privileged communities' education but also want a long standing relation to see the ultimate goal achieved. The CSR is not now a compliance piece for company but also a passion for employees and we expect it would pay off tomorrow.

Chairman of CSR Committee

ANNEXURE-6

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts/ arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advances, if any
1	Comviva Technologies FZ-LLC	Revenue	01-Apr-2014 to 31-Mar-2015	260,708,954	NA	-
2	Comviva Technologies FZ-LLC	Cost of Goods/ service received	01-Apr-2014 to 31-Mar-2015	555,192	NA	-
3	Comviva Technologies FZ-LLC	Purchase of Inventory	01-Apr-2014 to 31-Mar-2015	4,740,442	NA	-
4	Comviva Technologies FZ-LLC	Reimbursement of expense (net)	01-Apr-2014 to 31-Mar-2015	38,877,855	NA	-
5	Comviva Technologies Singapore PTE. Ltd.	Cost of Goods/ service received	01-Apr-2014 to 31-Mar-2015	455,821	NA	-
6	Comviva Technologies Singapore PTE. Ltd.	Purchase of Inventory	01-Apr-2014 to 31-Mar-2015	6,913,466	NA	-
7	Comviva Technologies Singapore PTE. Ltd.	Interest Income	01-Apr-2014 to 31-Mar-2015	1,431,442	NA	-
8	Comviva Technologies Singapore PTE. Ltd.	Advances Given	01-Apr-2014 to 31-Mar-2015	-	NA	25,583,835
9	Comviva Technologies Inc	Cost of Goods/ service received	01-Apr-2014 to 31-Mar-2015	102,809,100	NA	-
10	Comviva ESOP Trust	Advances Given	01-Apr-2014 to 31-Mar-2015	-	NA	16,990,000
11	Tech Mahindra Limited	Revenue	01-Apr-2014 to 31-Mar-2015	192,558,383	NA	-
12	Tech Mahindra Limited	Cost of Goods/ service received	01-Apr-2014 to 31-Mar-2015	19,880,215	NA	-
13	PT Tech Mahindra Indonesia	Revenue	01-Apr-2014 to 31-Mar-2015	6,832,339	NA	-
14	New VC Services Private Limited	Revenue	01-Apr-2014 to 31-Mar-2015	4,314,530	NA	-
15	Tech Mahindra Foundation	Corporate Social Responsibility	01-Apr-2014 to 31-Mar-2015	4,100,001	NA	-
16	Mr. Manoranjan Mahopatra	Managerial Remuneration	01-Apr-2014 to 31-Mar-2015	30,490,285	NA	-
17	Mr. Sriram Gopalakrishnan	Managerial Remuneration	01-Apr-2014 to 31-Mar-2015	13,074,815	NA	-

For Comviva Technologies Limited

Manoranjan Mohapatra
(Managing Director)
Din: 00043930

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

1. Objective

As a measure of good Corporate Governance and in compliance with the provisions of Section 178 of Companies Act 2013, following policies are formulated:

1.1 Policy on appointment and removal of Key Managerial Personnel and Senior Management;

1.2 Policy on Remuneration to the Key Managerial Personnel, Senior Management and other Employees

1.3 Policy on Directors Training

1.4 Policy on Evaluation of performance of the Board of Directors, Committees and individual Directors,

1.5 Policy on Board Diversity;

2. Definitions

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means the Comviva Technologies Limited.

"Committee(s)" means Committees of the Board for the time being in force as per the provisions of the Companies Act 2013.

"Employee" means employee of the Company whether employed in India or outside India including any whole time directors, KMPs & Senior Management who serve the company on a full-time basis and are not employed in any other entity except those which are the subsidiaries of the company or subsidiaries of its majority shareholder.

"HR' means the Human source department of the Company.

"Key Managerial Personnel" and Senior Management (KMP) refers to:

(i) Chairman (CM);

(ii) Managing Director (MD), or Chief Executive Officer (CEO);

(iii) Chief Financial Officer (CFO); and

(iv) Company Secretary (CS)

"Nomination and Remuneration Committee" or "NRC" means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means an employee of the Company who is a member of its Core Management team, which includes CEO, CFO, Company Secretary, Product Unit Heads (for Business units higher than USD 20 million), Global Head of Sales, EVP- New Product Initiatives, Global Head of HR.

3. Constitution of the Nomination and Remuneration Committee

The board has constituted the Nomination and Remuneration Committee on 20/05/2015, in accordance with Companies Act 2013.

The board will have rights to reconstitute this committee from time to time.

4. Policy for appointment of the Board, KMPs & Senior Management

The committee shall look into the following matters:

- Make recommendations to the board on its composition and size to help ensure its effective working. It will do the following under each category of personnel:

4.1 Board Members

a) Identify and recommend to appointment or removal of such candidates who can be considered for the position of a director.

b) The NRC would decide this based on its discussions around qualifications, positive attributes and independence of the candidate being considered for directorship. The decision may also be based on conditions as best suitable for the business in accordance with statutory conditions as may be applicable from time to time.

4.2 KMPs

a) The authority to identify right candidates for the appointment of CFO and CS is vested with the CEO along with HR, who will facilitate in identifying the candidates internally or externally. NRC will consider the candidates proposed by the CEO and recommend to the Board for its consideration and appointment in accordance with the applicable provisions of the Act and Rules.

b) In case of CM / MD / CEO's appointment, NRC will initiate the process of identifying the new candidate, which can be an internal or external candidate, for the respective position. After identification and screening of the candidate, NRC will propose the candidature to the Board for its consideration and for appointment subject to the approval of the Shareholders and Regulatory Authority, if any.

c) The selection and removal would be based on the evaluations done during the selection /search process and would cover such parameters like: qualifications, positive attributes, experiences, etc. The decision may also be based on conditions as best suitable for the business in accordance with statutory conditions as may be applicable from time to time.

d) If a KMP is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations there-under or due to non-adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a KMP subject to the compliance of the applicable statutory provisions.

4.3 Senior Management personnel

a) The Senior Management personnel are appointed and removed/relieved with the authority of CEO and HR. The selection and removal would be based on the evaluations done during the selection /search process and would cover such parameters like: qualifications, positive attributes, experiences, etc as per the recruitment policy prevailing at the time of selection. The decision may also be based on conditions as best suitable for the business in accordance with statutory conditions as may be applicable from time to time.

b) The details of the appointment made and the personnel removed/relieved during a quarter shall be presented to the Board as part of update on Corporate Governance.

To maintain effective performance and continuity, all attempts will be made to retain and maintain the right balance of expertise and experience at the senior management level through various measures of identification, hiring, training, grooming, performance feedback, compensation & benefits, promotions, etc and . The NRC may seek and review such efforts for any specific position/s as they may deem fit.

5. Remuneration to KMPs, Senior Management personnel and Other Employees

The Company follows an extensive performance management system to review the performance of the employees /Senior Management and provide rewards on the basis of meritocracy.

The overall remuneration (Total compensation) to the employees(including Whole Time Director (CEO) CFO, CS and senior management) includes a fixed component (Guaranteed Pay) and a variable component (Performance Linked pay). The percentage of the variable component increases at hierarchy levels, as the Company believes employees at higher positions have a far greater impact and influence on the overall business result. Variable Pay program is covered by respective variable pay programs (like performance linked incentive programs as applicable for respective roles).Compensation offered is decided based on what is competitive and suitable to attract top talent peer group for such a role, while looking at company's ability to pay vis-à-vis its budget.

The initial remuneration for CEO or any whole time director will be proposed by the CM/MD to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The initial remuneration for KMPs –CFO and CS will be proposed by the CEO & HR to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The initial remuneration for the Senior Management personnel shall be proposed by HR and approved by CEO. Remuneration for the new employees other than KMPs and Senior Management Personnel will be decided by the HR and business /line managers at the time of hiring, depending upon the relevant job experience, last compensation, position details and role maturity fitment; philosophy of which has been captured in the compensation handbook of the company.

The Total compensation is reviewed at least once every year based on company's performance and compensation philosophy and program. Compensation Revision is based on the performance, potential and market positioning of the role as determined through hiring& /attrition related data, surveys and benchmarks.

The annual review of remuneration for CEO or any whole time director will be proposed by the CM/MD to the NRC. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The annual remuneration for KMPs –CFO and CS will be proposed by the CEO & HR Head to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

Annual Review of Remuneration (TCTC) for all employees (others than KMPs, but including senior management) will be decided by the HR, in consultation with CEO for all senior management position and along with concerned business unit head/managers as per performance management process &compensation philosophy and approved personnel cost budget. Performance Management Handbook applies to all employees including senior management, CFO and CS. CEO performance is evaluated by the CM/MD based on business goals as determined annually.

Any one-time incentive program offered to employees may be proposed by CEO and approved by HR head. Any Long Term Incentive Program (LTIP) including shares or Stock Option grants to the employees shall be approved by the NRC based on the recommendation of CEO and Head of HR.

All remunerations to directors or CEO will be in accordance to Companies Act 2013 or changes to the same as applicable from time to time, including restatement of accounts due to fraud or non-compliance.

Sitting fee for Independent directors: Sitting fees will be paid to the independent directors for the committee and board meetings, as approved by the board from time to time. This will be subject to the maximum limits,if any, prescribed by the Companies Act 2013.

Refundability of excess remuneration: Any excess remuneration paid will have to be refunded back by the director in case of restatements and no such waivers will be permitted.

Commission or remuneration from holding or subsidiary company: The total commission paid for the services to this Company will include any remuneration paid from either the holding company or the subsidiary company.

6. Policy on Awareness Training to the Independent Directors

The Independent directors at the time of their co-option shall be provided with an orientation by at least one of the senior leaders. They will also be provided with the material/literature regarding the Company's business and its operations, governing documents, information on key personnel and financial information to familiarize them with the Company. The Board will brief them on their roles and responsibilities in the various Committees. The Quarterly Board Meetings will contain an agenda item on 'Business Updates' which provides development in the business strategy of the Company among others. The CM depending on the business need may also nominate Independent Directors for relevant external training programs. Independent Directors may request for any additional information as deemed fit for the successful discharge of their role.

7. Process for Performance Evaluation of the Board as a whole

The process will be initiated each year by the Chairman of the NRC or any other person as authorized by the NRC.

- The Board will carry out annual evaluation of its own performance through its adopted self-evaluation criteria. Board evaluation process will be initiated each year by the chairman of NRC and will be coordinated by the Chairman of NRC or any other person authorized by the NRC. Each Board member will get an evaluation form as given in Annexure – I in the first week of April of each year.
- Board members have the option to disclose his/her name on the evaluation form.
- Board members shall complete the form and return it to the authorized person within two weeks of receipt of the form.
- Only Chairman of the board and the authorized person appointed by the NRC to coordinate this activity will have access to individual evaluation form.

- Chairman of the Board, will arrange to tabulate the results and present summary report to the Board during the first Board Meeting of the financial year. The summary report will include score against each of the evaluation criteria & verbatim comments without any names. Sample template has been included in Annexure II. Report for each individual member will also be shared without names of those who gave the feedback.
- The Board will initiate discussion based on individual feedback, broad & common areas that are working well and those that need attention. The Board will then decide if changes in its governance practices and policies need to be made going forward.

7.1 Process for Performance Evaluation of the Committees:

The Board has adopted the evaluation criteria for Committees as mentioned in **Annexure -III**. Each Committee member will get an evaluation form as given in **Annexure – III** for the Committee(s) he/she is part of in the first week of April of each year.

- Committee Members have the option to disclose his/her name on the evaluation form.
- Committee Members shall complete the forms and return them to the authorized person within two weeks of receipt of the forms.
- Only Chairman of the board and the authorized person appointed by the NRC to coordinate this activity will have access to individual evaluation form
- The Chairman NRC, with the assistance of any person, will tabulate the results and share the summary report with the respective Committee in their first meeting of the financial year. The summary report will include score against each of the evaluation criteria & verbatim comments without any names. Sample summary report template has been included in **Annexure – IV.**
- Each Committee will initiate discussion basis individual feedback, broad & common areas that are working well and those that need attention.
- The Chairman of the respective Committee will also present the summary report to the Board during its first Board Meeting of each financial year.

7.2 Process for Performance Evaluation of individual directors including Independent Directors

- The NRC will carry out performance evaluation of individual directors through peer evaluation of each Board member.
- The Key areas of evaluation are Knowledge of business, Diligence and preparedness, Effective interaction with others, Constructive contribution to discussion and strategy, Concern for stakeholders, attentive to the internal controls mechanism, and ethical conduct issues as the evaluation criteria.
- In the first week of April of each year, each Board member will get evaluation form as given in Annexure – V for each of their colleagues on the Board. Each Board member will complete evaluation of each of their colleagues. Board member does not have to disclose his/her name on the evaluation form.
- During the first Board meeting of the financial year, separate envelopes indicating name of each Board Member will be circulated in which each Board member will place the completed evaluation sheet of the assessed member in their respective envelope. For example, there will be separate envelopes for Director A, Director B & so on and these envelopes will be circulated to all the Directors to place the evaluation form of the specific Director in the envelope indicating his/her name.
- Once all the evaluation forms are placed in designated envelopes, each Board member will be handed over their respective envelope and will have the opportunity to go through their own peer evaluation scores during the meeting itself.
- After going through their respective evaluation scores by their peers, the Board members will hand over their envelope to the Board chairperson during that meeting.
- Subsequently, the Board chairperson, will go through the contents of the envelope, and if necessary, will meet with each Director individually as part of the evaluation process to identify and discuss the outcome. The separate envelopes containing peer evaluation forms for each individual Director will remain with the Board chairperson and will be kept confidential.

- The NRC on the basis of evaluation scores of the concerned member shall recommend to the Board to extend or continue the term of appointment of the Board member. In case of the upcoming reappointment of any of the NRC member, the concerned member will not participate and others on the committee will be given access to all the available forms of the concerned member as detailed above to continue with the recommendation process.

8. Board's Diversity

A truly diverse Board will make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. The Board appointments should be based on merit that complements and expands the skills, experience, expertise of the Board as a whole, taking into account knowledge, professional experience, qualifications, gender, age, cultural, educational background, statutory / regulatory requirement and any other factors that might be relevant and applicable from time to time for it to function effectively.

NRC considers the functional diversities in determining the optimum composition of the Board.

9. Amendment

The Policies may be changed at any time by the Board on the recommendation of NRC. However, the NRC shall have the authority to change the Evaluation Form at any time during the year with the objective of seeking more inputs from the Individual Directors

In the event of any statement in the policy contradicting with law, the law will supersede as applicable from time to time.

ANNEXURE I

Performance Evaluation of the Board as a whole - Self Evaluation Form

Each Board Member is to rate the following statements in relation to overall performance of the Board during the last financial year. Please place √ in the appropriate box next to each statement using the indicated scale. Please use the space at the bottom to provide any specific comments you may have.

Section A: Personal Details

Name ________________________________

Title (Non – Executive Director / Independent Director / Any other) ________________________

Section B: Performance Evaluation of the Board (as a whole)

Circle the response that best reflects your opinion.

1. On a scale of 1 to 5, with 5 being the maximum, please rate the performance of the board

1	2	3	4	5

2. Anything special that is working well ____

____

3. Anything specific that needs to be improved____

____

____

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

COMVIVA TECHNOLOGIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **COMVIVA TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) On the basis of the written representations received from the Directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Gurgaon
Date: May 20, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The major portions of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(ii) In respect of its inventories:

(a) As explained to us, the inventories lying with the company were physically verified during the year by the Management at reasonable intervals. Majority of the inventory was lying with third parties, where the certificates confirming stock held at the year-end have been received.

(b) As explained to us, the stock of inventory in the Company's custody have been physically verified by the Management as at the end of the financial year. In our opinion, the frequency of verification is reasonable. In case of inventory, lying with the third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held at the year-end;

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act. Accordingly the provisions of sub clauses (a) and (b) of Clause (iii) of paragraph 3 of the Order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any major weaknesses in such internal control system.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits. Therefore, the provisions of the clause (v) of paragraph 3 of the Order are not applicable to the Company.

(vi) According to the information and explanations given to us, the provisions of the clause (vi) of paragraph 3 of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015, for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

(₹ In million)

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	Financial Year 2004-05	3.31*
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	Financial Year 2005-06	2.27
Income Tax Act, 1961	Income Tax	Assessing Officer	Financial Year 2006-07	1.04
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	Financial Year 2006-07	2.41**
Finance Act,1994	Service Tax	Customs Excise & Service Tax Appellate Tribunal***	Financial Year 2004-05 to 2007-08	407.37

* Excluding amount paid under protest: ₹ 1.50 million.

** Excluding amount paid under protest: ₹ 1.87 million.

*** The company is in the process of filing an appeal.

(d) According to the information and explanations given to us, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

(viii) The Company has accumulated profits at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.

(x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from bank or financial institution, the terms and conditions whereof are prejudicial to the interest of the Company.

(xi) According to the information and explanations given to us, the Company did not avail any term loan during the year.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no material fraud on the company has been noticed or reported during the year except for a suspected fraud of an estimated amount of ₹ 15 million in which the employees/contractors of the Company are alleged to be involved while being deputed at customer's premises.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant Joshi
Partner
(Membership No. 38019)

Place: Pune
Date: May 20, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

(₹) in Million

	Particulars	Note No.	31 March, 2015		31 March, 2014
A	**Equity and Liabilities**				
1	**Shareholders' funds**				
	(a) Share capital	3	**219**		219
	(b) Reserves and surplus	4	**3,571**		2,834
				3,790	3,053
2	**Non Current Liabilities**				
	(a) Other long-term liabilities	5	**24**		16
	(b) Long-term provisions	6	**107**		115
				131	131
3	**Current Liabilities**				
	(a) Trade payables	7	**1,366**		1,423
	(b) Other current liabilities	8	**170**		187
	(c) Short term provisions	9	**123**		54
				1,659	1,664
	TOTAL			**5,580**	4,848
B	**Assets**				
1	**Non current assets**				
	(a) Fixed assets				
	(i) Tangible assets	10A	**168**		178
	(ii) Intangible assets	10B	**8**		9
	(iii) Capital work-in-progress		**25**		11
			201		198
	(b) Non-current investments	11	**9**		7
	(c) Deferred tax assets (net)	12	**208**		256
	(d) Long-term loans and advances	13	**527**		350
				945	811
2	**Current Assets**				
	(a) Current Investments	14	**-**		130
	(b) Inventories	15	**57**		60
	(c) Trade receivables	16	**2,940**		2,310
	(d) Cash and cash equivalents	17	**520**		678
	(e) Short-term loans and advances	18	**417**		362
	(f) Other current assets	19	**701**		497
				4,635	4,037
	TOTAL			**5,580**	4,848
C	**See accompanying notes forming part of the financial statements**				

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Hemant M. Joshi
Partner

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
Director

Devendra Khanna
Director

Manoj Kohli
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Rajat Mukherjee
Independent Director

Sunita Umesh
Independent Director

Place: Pune
Date: May 20, 2015

Place: Gurgaon
Date: May 20, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹) in Million except Earnings Per Share

	Particulars	Note No.	For the year ended 31st March, 2015		For the year ended 31st March, 2014
I.	Revenue from operations	20		**6,373**	5,653
II.	Other income	21		**22**	35
III.	**Total revenue (I+II)**			**6,395**	5,688
IV.	**Expenses**				
	(a) Employee benefits expense	22		**1,870**	1,656
	(b) Subcontracting cost			**477**	458
	(c) Finance costs	23		**1**	1
	(d) Depreciation and Amortization expense	10		**212**	187
	(e) Other expenses	24		**2,644**	2,463
	Total expenses			**5,204**	4,765
V.	**Profit before tax**			**1,191**	923
VI.	**Tax expenses:**				
	(a) Current tax		**392**		295
	(b) Deferred tax (Refer Note 12)		**48**		33
				440	328
VII.	**Profit for the year**			**751**	595
VIII.	**Earnings per Equity share (Refer Note 36) (Face value of ₹ 10/- each)**				
	(a) Basic			**34.35**	27.20
	(b) Diluted			**34.35**	27.19
IX	**See accompanying notes forming part of the financial statements**				

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Hemant M. Joshi
Partner

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
Director

Devendra Khanna
Director

Manoj Kohli
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Rajat Mukherjee
Independent Director

Sunita Umesh
Independent Director

Place: Pune
Date: May 20, 2015

Place: Gurgaon
Date: May 20, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(₹) **in Million**

		For the year ended 31 March, 2015		For the year ended 31 March, 2014	
A]	**CASH FLOWS FROM OPERATING ACTIVITIES**				
	Profit before tax		**1,191**		923
	Adjustments for:				
	Depreciation and amortization	**212**		187	
	(Profit)/loss on sale of fixed assets	**(0)**		0	
	Interest Expense	**1**		1	
	Interest income	**(1)**		(3)	
	Dividend income	**(5)**		(14)	
	Unrealised foreign exchange difference (net)	**37**		68	
	Employee stock compensation cost	**0**		1	
	Reversal of provision no longer required (Refer Note 39)	**(2)**		-	
	Profit on sale of Current Investment	**(0)**		(7)	
			242		233
	Operating Profit before working capital changes		**1,433**		1,156
	Adjustments for changes in working capital:				
	Increase/ (Decrease) in Trade payable, other liabilities and provisions	**(21)**		201	
	Increase / (Decrease) in Trade receivables	**(714)**		(234)	
	Increase / (Decrease) in Other assets and loan advances	**(239)**		(174)	
			(974)		(207)
	Cash generated from operations		**459**		949
	Direct Taxes Paid		**(535)**		(451)
	Net cash flows from operating activities (A)		**(76)**		498
B]	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	**(203)**		(178)	
	Interest Received	**1**		6	
	Dividend Received	**-**		14	
	Purchase of Investments	**(1,152)**		(2,136)	
	Sale of Investments	**1,287**		2,126	
	Sale of Fixed Assets	**0**		0	
	Loan given to Subsidiary	**-**		(9)	
	Net Cash flows from/(used in) investing activities (B)		**(67)**		(177)
C]	**CASH FLOWS FROM FINANCING ACTIVITIES**				
	Repayment of borrowings	**-**		(108)	
	Interest Paid	**(1)**		(1)	
	Net cash flows from/(used in) financing activities (C)		**(1)**		(109)

		For the year ended 31 March, 2015	For the year ended 31 March, 2014
			(₹) in Million
D]	**Exchange differences on translation of foreign currency cash and cash equivalents**	**(14)**	(4)
	Net Increase / (decrease) in cash and cash equivalents (A + B+ C + D)	**(158)**	208
	Cash & cash equivalents at the end of year (refer note 1 below)	**520**	678
	Cash & cash equivalents at the beginning of the year	**678**	470
	Net Increase / (decrease) in cash and cash equivalents	**(158)**	208

Particulars	(₹) in million For the year ended 31 March, 2015	(₹) in million For the year ended 31 March, 2014
Note 1:		
Cash and cash equivalents include:		
Cash on hand	**0**	1
Remittances in transit	**78**	79
Balance with banks		
- In current accounts	**442**	543
- In deposit accounts	**-**	55
Total Cash and cash equivalents - Refer Note 17	**520**	678

Note 2:

Figures in brackets represent outflow of cash and cash equivalents.

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements.

Note 4:

Previous period's figures have been rearranged/regrouped wherever necessary.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Hemant M. Joshi
Partner

Place: Pune
Date: May 20, 2015

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
Director

Devendra Khanna
Director

Manoj Kohli
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Rajat Mukherjee
Independent Director

Sunita Umesh
Independent Director

Place: Gurgaon
Date: May 20, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. **Company Overview**

Comviva Technologies Limited ("the Company") is in the business of providing Integrated Value Added Services (VAS) to telecom companies, predominantly in emerging markets. The Company's portfolio of services includes mobile financial solutions, mobile music and video applications, messaging and business support systems.

The company is a subsidiary of Tech Mahindra Limited.

2. **Significant Accounting Policies**

Basis for preparation of financial statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act"), as applicable in accordance with the accounting principles generally accepted in India. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.1 Use of Estimates:

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

2.2 Fixed Assets

Fixed Assets are stated at the cost of acquisition, less depreciation /amortization. Costs comprises of the purchase price and other attributable costs.

2.3 Depreciation / Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on fixed assets including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Type of Asset	Estimated useful life
Plant and Equipment (including Computers)	3 year
Plant and Equipment (Electrical Equipment)	5 year
Office Equipment	5 year
Furniture and Fixtures	5 year

Improvements to leased premises are amortized over their estimated useful life or period of the lease, whichever is shorter.

Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

Computer Software acquired for specific projects are amortized over the initial contract life of the project.

Computer Software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

2.4 Leases

Where the company is a lessee-

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is a lessor

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

2.5 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

2.6 Impairment of Fixed Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and

(b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.7 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.8 Inventories

Inventories are stated at lower of cost and net realizable value. In determining the cost of materials, the weighted average cost method is used.

2.9 Revenue recognition

Revenue from sale of equipment and third party software is recognized upon delivery, which is when the title passes to the customer.

Revenue from contracts priced on a time and material basis is recognised when services are rendered.

Revenue from fixed price contracts is recognized as per the proportionate completion method and where there is no uncertainty as to the measurement or collectability of the consideration.

Revenue from annual maintenance and annual technical services contracts is recognised on pro-rata basis over the period of the contract.

Interest income is recognized on time proportion basis

Dividend income is recognized when the Company's right to receive dividend is established.

2.10 Foreign currency transactions

(a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated at the year-end rates and the exchange differences so determined as also the realised exchange differences are recognised in the Statement of Profit and Loss.

(b) Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. Effective April 1st, 2007 the Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurements" (AS 30).

The use of foreign currency forward contracts/

options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve (under Reserves and Surplus) and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

The accumulated gains / losses on the derivatives accounted in Hedging Reserve are transferred to the Statement of Profit and Loss in the same period in which gains / losses on the item hedged are recognized in the Statement of Profit and Loss.

Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there and is classified to Statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss for the period.

2.11 Employee benefits

Employee benefits includes gratuity, provident fund and leave encashment benefits under the approved schemes of the Company. In respect of defined benefit plans, the employee benefit costs are accounted for based on actuarial valuation as at the Balance Sheet date.

In respect of defined contribution plans, the contribution payable for the period is charged to the Statement of Profit and Loss.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

2.12 Accounting for Taxes on Income

Tax expense comprises of current and deferred tax.

(a) Income Tax Provision

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

(b) Deferred Tax Provision

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.13 Earnings per share

The Company reports its basic and diluted earnings per share in accordance with Accounting Standard -

20 on Earnings per Share.

Basic earnings per share are computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.14 Provisions, Contingent Liabilities and Contingent Assets

As per Accounting Standard (AS) 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for –

(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) Present obligations that arise from past events but are not recognized because-

1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.15 Provision for Warranty

The Company has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery. The Company estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

2.16 Change in accounting policy:

(a) Accounting for Hedge Contracts:

Up to 31st March, 2013, forward exchange contracts which were used to hedge company's risks associated with foreign currency fluctuations were accounted for as per the requirements of Accounting Standard (AS) 11-Effects of Changes in Foreign Exchange Rates. The company was thus amortizing the premium on forward cover over the contract period and any gain and loss arising due to reinstatement of forward cover liability was charged to Statement of Profit & Loss.

Effective from 1st April, 2013, the Company has applied hedge accounting principles in respect of forward exchange contracts as set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3 - Share capital :

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number	**(₹) in million**	Number	(₹) in million
(a) Authorized :				
Equity shares of ₹ 10 each	**25,500,000**	**255**	25,500,000	255
Series A 0.001% fully convertible non-cumulative preference shares of ₹ 10 each	**8,000,000**	**80**	8,000,000	80
(b) Issued, subscribed and fully paid up :				
Equity shares of ₹ 10 each fully paid up	**21,864,850**	**219**	21,864,850	219
Total	**21,864,850**	**219**	21,864,850	219

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number	**(₹) in million**	**Number**	(₹) in million
Equity Shares				
Closing Balance	**21,864,850**	**219**	21,864,850	219

(ii) Terms, rights and restrictions attached to:

Equity Shares:

The Company has equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholders.

Series A 0.001% fully convertible non-cumulative preference shares:

The Company has class of fully convertible non-cumulative redeemable preference shares having a par value of ₹ 10 per share. Non-cumulative redeemable preference shares carry cumulative dividend @ 0.01 % per annum.

(iii) Details of shares held by the holding company

Particulars		Number of Shares
	As at 31 March, 2015	**As at 31 March, 2014**
Tech Mahindra Limited	**14,675,088**	14,675,088

(iv) Details of equity shares held by shareholder holding more than 5%:

	As at 31 March, 2015		As at 31 March, 2014	
Name of shareholder	**No. of Shares**	**% of Holding**	**No. of Shares**	**% of Holding**
Equity shares of ₹ 10 each fully paid up				
Tech Mahindra Limited	**14,675,088**	**67.12%**	14,675,088	67.12%
West Bridge Ventures II Investment Holdings	**2,170,931**	**9.93%**	2,170,931	9.93%
Bharti (SBM) Holdings Private Limited	**1,936,420**	**8.86%**	1,936,420	8.86%
Bharti (RM) Holdings Private Limited	**1,210,262**	**5.54%**	1,210,262	5.54%
Bharti (RBM) Holdings Private Limited	**1,210,262**	**5.54%**	1,210,262	5.54%

(v) Shares reserved for issue under options

For details of equity shares reserved for issue under the employees stock option plan (ESOP) of the Company Refer Note 26.

Note 4 - Reserves and surplus :

Particulars	**As at 31 March, 2015**		As at 31 March, 2014	
	(₹) in million	**(₹) in million**	(₹) in million	(₹) in million
Securities premium account		**567**		567
Hedging Reserve (Refer Note 2.10.b, 2.16 & 30.1)				
Opening balance	**31**		-	
On initial adoption of AS-30 (Refer Note 2.16)	**-**		10	
Less: Transferred to Statement of Profit and Loss on occurrence of forecasted hedge transactions	**-**		10	
Add/(less): change in fair value of forward contracts (net)	**(14)**		31	
Closing balance		**17**		31
				-
Share options outstanding account				
Opening balance	**0**		2	
Add: amortised amount of stock compensation cost (net)	**0**		0	
Less: transfer to surplus in the statement of Profit and Loss on account of cancellation/forfeiture of options	**(0)**		2	
Closing balance		**0**		0
Surplus in the statement of profit and loss				
Opening balance	**2,236**		1,669	
Add: transfer on account of ESOP unexercised	**0**		2	
Add: profit for the year	**751**		595	
Less: on initial adoption of AS-30 (Refer Note 2.16)	**-**		30	
Closing balance		**2,987**		2,236
Total		**3,571**		2,834

Note 5 - Other long-term liabilities :

Particulars	**As at 31 March, 2015 (₹) in million**	As at 31 March, 2014 (₹) in million
Unearned revenue	**24**	16
Total	**24**	**16**

Note 6 - Long-term provisions :

Particulars	As at 31 March, 2015 (₹) in million	As at 31 March, 2014 (₹) in million
Provision for employee benefits		
-Provision for gratuity (Refer Note 25)	**72**	73
-Provision for compensated absences	**35**	42
Total	**107**	115

Note 7 - Trade payables :

Trade payables other than Accrued Salaries and Benefits	**1,122**	1,116
Accrued Salaries and Benefits	**244**	307
Total	**1,366**	1,423

Note 8 - Other current liabilities :

Unearned revenue	**42**	45
Statutory remittances	**73**	53
Advance from customers	**55**	89
Total	**170**	187

Note 9 - Short term provisions :

Provision for employee benefits		
-Provision for gratuity (Refer Note 25)	**4**	3
-Provision for compensated absences	**32**	8
	36	11
Provision for income tax (net of taxes paid)	**75**	36
Provision for warranties (Refer Note 37)	**12**	7
Total	**123**	54

Note 10 - Fixed assets

(₹) in million

Particulars	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at 1st April, 2014	Additions during the year	Disposals during the year	As at 31st March, 2015	As at 1st April, 2014	For the year	On disposal for the year	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
A. Tangible Assets										
Plant and equipments	650	114	4	**760**	498	130	3	**625**	**135**	152
(Previous year)	594	93	37	**650**	414	121	37	**498**	**152**	
Furniture and fixtures	21	10	-	**31**	16	4	-	**20**	**11**	5
(Previous year)	16	6	1	**21**	14	3	1	**16**	**5**	
Office equipments	29	7	-	**36**	16	5	-	**21**	**15**	13
(Previous year)	21	11	3	**29**	16	3	3	**16**	**13**	
Improvement to leased premises	29	17	-	**46**	21	18	-	**39**	**7**	8
(Previous year)	12	18	1	**29**	11	11	1	**21**	**8**	
Total	729	148	4	**873**	551	157	3	**705**	**168**	178
Previous year	643	128	42	**729**	455	139	42	**551**	**178**	
B. Intangible Assets (Other than internally generated)										
Computer software	293	53	-	**346**	284	55	-	**339**	**8**	9
(Previous year)	257	54	18	**293**	254	48	18	**284**	**9**	
Intellectual property rights	7	-	7	**-**	7	-	7	**-**	**-**	-
(Previous year)	7	-	-	**7**	7	-	-	**7**	**-**	
Total	300	53	7	**346**	290	55	7	**339**	**8**	9
Previous Year	264	54	18	**300**	261	48	18	**291**	**9**	

Note 11 - Non-current investments :

Particulars	**As at 31 March, 2015 (₹) in million**	As at 31 March, 2014 (₹) in million
TRADE (UNQUOTED)		
Investments in Equity Instruments of subsidiaries (At Cost)		
Comviva Technologies Inc A wholly owned subsidiary incorporated in USA (Refer note 39) 10,450 (Previous year: 10,450) Common Stock of USD 10 each, fully paid up	**5**	3
Comviva Technologies Nigeria Limited A wholly owned subsidiary incorporated in Nigeria. 10,000,000 (Previous year: 10,000,000) Common Stock of Naira 1 each, fully paid up	**3**	3
Comviva Technologies FZ-LLC A wholly owned subsidiary incorporated in UAE. 55 (Previous year: 55) Common Stock of AED 1,000 each, fully paid up	**1**	1
Comviva Technologies Singapore PTE Limited A wholly owned subsidiary incorporated in Singapore. 1,000 (Previous year: 1,000) Common Stock of SGD 1 each, fully paid up	**0**	0
Total	**9**	7
Gross amount of unquoted investments	**9**	9
Aggregate provision for diminution in value of investments	**-**	2

Note 12 - Deferred tax assets (net) :

Break up of deferred tax assets		
Nature of timing differences		
- Impact of expenditure charged to the Statement of profit & loss but allowed for tax purposes on payment basis	**30**	78
- Provision for gratuity and compensated absences	**49**	43
- Provision for doubtful debts and advances	**51**	57
- Provision for depreciation	**28**	19
- Provision for incentives	**50**	59
Total	**208**	256

Note 13 - Long-term loans and advances :

Particulars	As at 31 March, 2015 (₹) in million	As at 31 March, 2015 (₹) in million	As at 31 March, 2014 (₹) in million
(Unsecured, considered good unless otherwise stated)			
Loans and advances to related parties (Refer Note 28)			
Dues from subsidiary companies		**0**	0
Loan to subsidiary		**26**	25
Loan to Comviva ESOP Trust		**17**	17
Capital advances			
Considered good	**3**		15
Considered doubtful	**0**		0
	3		15
Provision for doubtful advances	**0**		0
		3	15
Security deposits			
Considered good	**87**		80
Considered doubtful	**-**		2
	87		82
Provision for doubtful security deposits	**-**		2
		87	80
Advance income taxes (net of provisions)		**393**	211
Prepaid expenses		**1**	2
Total		**527**	350

Note 14 - Current Investments :

Particulars	As at 31 March, 2015 (₹)	As at 31 March, 2014 (₹)
Investments in Mutual Funds (unquoted) (Non-trade) (at Cost or NRV whichever is lower)		
Nil (Previous year: 40,315.58) units of ₹ Nil (Previous year: 1,736.3014) - UTI-Treasury advantage fund-institutional plan-Growth	**-**	70
Nil (Previous year: 40,870.06) units of ₹ Nil (Previous year: 1,470.6246) - Baroda Pioneer Liquid Fund plan A-Daily Dividend-Reinvestment	**-**	60
Total	**-**	130

Note 15 - Inventories :

(Valued at lower of cost and net realizable value)

Others - Stock of IT equipments and purchased software	**57**	60
Total	**57**	60

Note 16 - Trade receivables :

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	(₹) in million	(₹) in million	(₹) in million	(₹) in million
Trade Receivables (Unsecured)				
Over Six Months				
- Considered good*	655		490	
- Considered doubtful	136		141	
		791		631
Others				
- Considered good**	2,285		1,820	
- Considered doubtful	2		-	
		2,287		1,820
Total		3,078		2,451
Less: Provision for doubtful trade receivables		138		141
Total		2,940		2,310

* Net of Advances aggregating to ₹ 4 million (Previous year: ₹ 48 million) pending adjustments with Invoices.
** Net of Advances aggregating to ₹ 163 million (Previous year: ₹ 14 million) pending adjustments with Invoices.

Note 17 - Cash and cash equivalents :

Particulars	As at 31 March, 2015	As at 31 March, 2014
	(₹) in million	(₹) in million
Cash on hand	0	1
Remittances in transit	78	79
Balances with banks:		
- In current accounts	442	543
- In deposit accounts	-	55
Total	520	678
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 *Cash Flow Statements* is	520	678

Note 18 - Short-term loans and advances :

Particulars	As at 31 March, 2015 (₹) in million	As at 31 March, 2015 (₹) in million	As at 31 March, 2014 (₹) in million
(Unsecured, considered good unless otherwise stated)			
Loans and advances to related parties (Refer Note 28)			
Due from subsidiary company		**112**	71
Other Loans and advances			
- Loans and advances to employees			
Considered good	**76**		99
Considered doubtful	**-**		5
	76		104
Provision for doubtful advances	**-**		5
		76	99
- Prepaid expenses		**64**	55
- Advance to suppliers			
Considered good	**29**		23
Considered doubtful	**0**		6
	29		29
Provision for doubtful advances	**0**		6
		29	23
- Balance with Government authorities		**135**	112
- Others		**1**	2
Total		**417**	362

Note 19 - Other current assets :

Particulars	As at 31 March, 2015 (₹) in million	As at 31 March, 2014 (₹) in million
Unbilled Revenue (Net of Provision of ₹ 14 million (Previous year: ₹ 13 million))	**645**	440
Interest accrued	**4**	2
Fair values of foreign exchange forward contracts	**52**	55
Total	**701**	497

Note 20 - Revenue from operations :

Particulars	For the year ended 31 March, 2015 (₹) in million	For the year ended 31 March, 2015 (₹) in million	For the year ended 31 March, 2014 (₹) in million
Income from rendering of services			
Software services	**3,234**		2,632
Revenue sharing arrangements	**1,405**		1,277
Annual maintenance contract services	**893**		801
		5,532	4,710
Income from sale of equipments and software licenses*		**841**	943
Total		**6,373**	5,653

*Includes revenue in respect of certain contracts which involve delivery of hardware equipment / software but are still part of an integrated solution to the customer, the corresponding cost of which is reflected under Cost of hardware equipment and other items sold (Refer Note 24).

Note 21 - Other income :

Particulars	For the year ended 31 March, 2015 (₹) in million	For the year ended 31 March, 2014 (₹) in million
Interest income	**1**	3
Dividend income on current investments	**5**	14
Profit on sale of current investments	**0**	7
Profit on sale of fixed assets	**0**	0
Sundry Balances written back (Refer note 39)	**12**	11
Miscellaneous Income	**4**	0
Total	**22**	35

Note 22. Employee benefits expense :

Salaries, wages and bonus	**1,695**	1,491
Contribution to provident and other funds (Refer Note 25)	**84**	82
Employee stock compensation cost	**0**	1
Staff welfare expenses	**91**	82
Total	**1,870**	1,656

Note 23. Finance costs :

Interest Expense:		
Others	**1**	1
Total	**1**	1

Note 24. Operating and other expense :

Particulars	For the year ended 31 March, 2015 (₹) in million	For the year ended 31 March, 2015 (₹) in million	For the year ended 31 March, 2014 (₹) in million
Cost of hardware equipment and other items sold		**948**	1,063
Royalty and software charges		**130**	130
Travelling and conveyance		**649**	538
Specific project related claims		**23**	34
Freight and forwarding charges		**37**	38
Power and fuel		**29**	25
Rent		**127**	116
Rates and taxes		**22**	39
Insurance		**14**	11
Repairs and maintenance:			
Machinery and computers	**63**		71
Building	**33**		33
Others	**39**		8
		135	112
Advertising and sales promotion		**51**	40
Communication costs		**62**	54
Corporate Social Responsibility		**9**	-
Legal and professional fees (Refer note 35)		**215**	187
Conference expenses (net)		**43**	56
General office expenses		**25**	16
Provision for doubtful debts and advances (net)		**83**	27
Bank charges		**19**	14
Exchange gain/loss (net)		**14**	(48)
Miscellaneous expenses (including warranty) (Refer note 37)		**9**	11
			-
Total		**2,644**	2,463

25. Employee Benefits

a) Defined Contribution Plan - Provident Fund

Amounts recognized as an expense in the Statement of Profit and Loss in respect of defined contribution plan is ₹ 73 million (year ended 31st March, 2014 : ₹ 57 million).

b) Defined Benefit Plan

i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Statement of Profit and Loss.
ii) The Defined Benefit Plans comprise of Gratuity.

Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.
The defined benefit plan is funded.

I] Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :

(₹) in million

Particulars	As at 31st March, 2015	As at 31st March, 2014
Present Value of Defined Obligation as at the beginning of the year	**94**	72
Current Service Cost	**29**	18
Interest cost	**8**	6
Benefits Paid	**(14)**	(6)
Actuarial (gains)/ losses on obligation	**(23)**	4
Actuarial gains on fair value	**-**	-
Present Value of Defined Benefit Obligation as at the end of the year	**94**	94

II] Change in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :

(₹) in million

Particulars	As at 31st March, 2015	As at 31st March, 2014
Opening fair value of plan assets	**18**	20
Expected return on plan assets	**1**	2
Contributions by employer	**3**	1
Benefits Paid	**(6)**	(6)
Actuarial Gain	**2**	1
Closing fair value of plan assets at end of the year	**18**	18

III] Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognised in the Balance Sheet :

Benefit assets/ (liability)

(₹) in million

Particulars	As at 31st March, 2015	As at 31st March, 2014
Present value of defined benefit obligation	**(94)**	(94)
Fair value of plan assets	**18**	18
Funded status [Surplus/(Deficit)]	**(76)**	(76)
Net Asset/(Liability) recognised in Balance Sheet	**(76)**	(76)

IV] Components of employer expenses recognised in the Statement of Profit and Loss for year ended 31st March, 2015

(₹) in million

Particulars	As at 31st March, 2015	As at 31st March, 2014
Current Service Cost	**29**	18
Interest Cost	**8**	6
Expected return on plan assets	**(1)**	(2)
Net Actuarial (Gain)/ Loss	**(25)**	3
Total expense recognised in the Statement of Profit & Loss	**11**	25

V] In respect of Funded Benefits with respect to gratuity, the fair value of Plan assets represents the amounts invested through "Insurer Managed Funds

VI] Assumptions

	As at 31st March, 2015	As at 31st March, 2014
Discount Rate	**7.80%**	8.60%
Expected Rate of Returns on Plan Assets	**8.00%**	7.50%
Salary Escalation	**8.00%**	8.50%
Employee separation Rate	**17.00%**	17.00%

a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

b) Expected Rate of Return on Plan Assets: This is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of obligations.

c) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

VII] Experience History

(₹) in million

Particulars	**31 March, 2015**	31 March, 2014	31 March, 2013	31 March, 2012	31 March, 2011
Present value of obligation as at the end of the year	**94**	94	72	62	53
Fair value of the plan assets at the end of the year	**18**	18	20	20	19
Surplus / (Deficit)	**(76)**	(76)	(52)	(42)	(34)
Experience adjustment on plan Liabilities (loss) / gain	**24**	3	1	2	(10)
Experience adjustment on plan Assets (loss) / gain	**2**	1	0	0	0
Actuarial gain/(loss) due to change in assumptions	**(2)**	-	-	-	-

26. Employee Stock Option Plans

The company provides share based payment scheme to its employees "ESOP Plan". During the financial year 2012-13 the company has cancelled that ESOP Plan except to the extent of certain employees who continue to carry stock options.

Employee Stock Option Plan (ESOP) 2009-

Pursuant to shareholders further resolution dated February 24, 2009, the Company announced the ESOP Scheme - Employee Stock Option Plan (ESOP) 2009 "ESOP 2009" with Time Based and Performance Based plans under which the maximum quantum of options was determined at 1,136,203 to be granted to employees of the company and its holding or subsidiaries whether in India or abroad from time to time on the basis of their performance and other eligibility criteria. The above options are planned to be settled in equity at the time of exercise and have maximum vesting period of four years from the date of the respective grants.

Number of options granted, exercised and cancelled/lapsed under the scheme during the period:

Particulars	**As at 31st March, 2015**	As at 31st March, 2014
	Number of options	Number of options
Scheme- ESOP 2009 - Time Based		
Outstanding at the beginning of the year	**4,000**	4,000
Granted during the period/year	**-**	-
Forfeited during the period/year	**-**	-
Exercised during the period/year	**-**	-
Surrendered during the period/year	**-**	-
Outstanding at the end of the period/year	**4,000**	4,000

Comviva Employee Stock Option Plan (ESOP)-

Pursuant to shareholders further resolution dated July 29, 2010, the Company announced new Scheme Comviva ESOP Scheme with Time Based and Performance Based plans under which the maximum quantum of options was determined at 800,000 to be granted to employees of the company and its holding or subsidiaries whether in India or abroad from time to time on the basis of their performance and other eligibility criteria. The above options are planned to be settled in equity at the time of exercise and have maximum vesting period of four years from the date of the respective grants.

Number of options granted, exercised and cancelled/lapsed under the scheme during the period:

Particulars	**As at 31st March, 2015**	As at 31st March, 2014
	Number of options	Number of options
Comviva ESOP Scheme - Time Based		
Outstanding at the beginning of the year	**2,638**	25,768
Granted during the period/year	**-**	-
Forfeited during the period/year	**375**	-
Exercised during the period/year	**-**	-
Surrendered during the period/year	**-**	23,130
Outstanding at the end of the period/year	**2,263**	2,638

27. Leases

i) Operating Lease - As a Lessee

Obligations towards non-cancellable operating Leases

The Company has taken premises an operating lease for the period of one to five years. The expenses of such lease rentals recognised in the statement of Profit and loss account for the year ended March 31, 2015 is ₹ 127 Million (year ended 31st March, 2014: ₹ 116 Million). The future lease payments of such operating lease are as follows:-

(₹) in million

Particulars	**As at 31st March 2015**	As at 31st March 2014
Minimum Lease Payments		
- Not later than one year	**121**	65
- Later than one year and not later than five years	**201**	18
- Later than five years	**-**	1

28. Related Party Disclosure

a) Name of the related party and nature of relationship:-

Name of the Entity*	Nature of relationship
Tech Mahindra Limited	Holding company
Comviva Technologies Inc	Subsidiary
Comviva Technologies Nigeria Limited and its 75% subsidiary Hedonmark {Management Services} Limited	Subsidiary
Comviva Technologies Singapore PTE. Ltd.	Subsidiary
Comviva Technologies FZ-LLC	Subsidiary
PT Tech Mahindra Indonesia	Fellow subsidiary
New VC Services Private Limited	Fellow subsidiary
Tech Mahindra Foundation	Fellow subsidiary
Comviva ESOP Trust	Enterprise where the Company is in a position to exercise control
Manoranjan Mohapatra	Managing Director and Chief Executive Officer
Sriram Gopalakrishnan	Chief Financial Controller

*We have disclosed only those related parties with whom company has transactions during the year.

b) Transactions with Related Parties:

(₹) in million

Transactions for the year ended 31st March, 2015								Balance as at 31st March, 2015 Debit/(Credit)							
Particulars	Sales	Interest Income	Cost of Goods/ service (received)/ provided	Sale/ (Purchase) of Fixed Assets / Inventory	Reimbursement of expense (net)	Donation (Corporate Social Responsibility)	Managerial Remuneration	Trade Receivable	Unbilled	Trade Payables	Loans & Advances	Investment	Interest Accrued	Advance from Customers	Accrued benefit payable
Subsidiary Companies															
Comviva Technologies Inc	-	-	(103)	-	-	-	-	**3**	-	**(9)**	-	**5**	-	-	-
Comviva Technologies Nigeria Limited	-	-	-	-	-	-	-	**32**	-	-	74	**3**	-	-	-
Comviva Technologies Singapore PTE. Ltd.	-	1	0	(7)	-	-	-	**3**	-	**(21)**	26	**0**	4	(3)	-
Comviva Technologies FZ-LLC	261	-	(1)	(5)	39	-	-	399	-	(37)	38	**1**	-	-	-
Holding Company															
Tech Mahindra Limited	193	-	(20)	-	-	-	-	57	46	(16)	-	-	-	-	-
Fellow Subsidiaries															
PT Tech Mahindra Indonesia	7	-	-	-	-	-	-	3	-	-	-	-	-	-	-
New VC Services Private Limited	4	-	-	-	-	-	-	1	-	-	-	-	-	-	-
Tech Mahindra Foundation	-	-	-	-	-	(4)	-	-	-	-	-	-	-	-	-
Enterprise where the Company is in a position to exercise control															
Comviva ESOP Trust	-	-	-	-	-	-	-	-	-	-	17	-	-	-	-
Key Management Personnel															
Manoranjan Mohapatra	-	-	-	-	-	-	30	-	-	-	-	-	-	-	(30)
Sriram Gopalakrishnan	-	-	-	-	-	-	13	-	-	-	-	-	-	-	(4)

Transactions for the year ended 31st March, 2014								Balance as at 31st March, 2014 Debit/(Credit)								
Particulars	Sales	Interest Income	Cost of Goods/ service (received)/ provided	Loan and advance	Repayment of interest on loan	Capital work in progress	Managerial Remuneration	Trade Receivable	Unbilled	Trade Payables	Deferred Revenue	Loans & Advances	Investment	Interest Accrued	Advance from Customers	Accrued benefit payable
Subsidiary Companies																
Comviva Technologies Inc	-	-	112	-	-	-	-	3	-	(23)	-	0	3	-	-	-
Comviva Technologies Nigeria Limited	10	-	-	-	-	-	-	31	-	-	-	71	3	-	-	-
Comviva Technologies Singapore PTE. Ltd.	3	1	(4)	9	-	3	-	2	-	(13)	-	25	0	2	(3)	-
Comviva Technologies FZ-LLC	182	-	(3)	-	4	0	-	241	-	(47)	-	-	1	-	-	-
Holding Company																
Tech Mahindra Limited	23	-	(5)	1	-	-	-	1	13	(15)	-	-	-	-	-	-
Fellow Subsidiaries																
PT Tech Mahindra Indonesia	10	-	-	-	-	-	-	0	0	-	(1)	-	-	-	-	-
New VC Services Private Limited	8	-	-	-	-	-	-	10	-	-	-	-	-	-	-	-
Tech Mahindra Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Enterprise where the Company is in a position to exercise control																
Comviva ESOP Trust	-	-	-	-	-	-	-	-	-	-	-	17	-	-	-	-
Key Management Personnel																
Manoranjan Mohapatra	-	-	(1)	0	-	-	36	-	-	0	-	0	-	-	-	(17)

29 Contingent Liabilities and Commitments:

(i) Contingent Liabilities:

(₹) **in million**

Sr. No.	Particulars	As at 31 March, 2015	As at 31 March, 2014
1	Bank Guarantees	**86**	66
2	Income tax matters (Refer Note I)	**22**	79
3	Service tax matters (Refer Note II)	**407**	-
4	Other claims against the company not acknowledged as debts (Refer Note III)	**46**	31

Note:

I Income Tax Matter:

a) Demand from Income Tax Authorities for Assessment year 2005-06 (from Assistant Commissioner of Income Tax) ₹ 3 million (March 31, 2014 ₹ 3 million) against which company has paid ₹ 2 million (March 31, 2014 - ₹ 2 million) under protest.

b) Demand from Income Tax Authorities for Assessment year 2006-07 (from Assistant Commissioner of Income Tax) ₹ 2 million (March 31, 2014 : ₹ 2 million)

c) Demand from Income Tax Authorities for Assessment year 2007-08 u/s 154 (from Assistant Commissioner of Income tax) ₹ 3 million (March 31, 2014 ₹ 3 million) against which company has paid ₹ 2 million (March 31, 2014 ₹ 2 million) under protest.

d) Demand from Income tax Authorities for the Assessment year 2007-08 for payment of additional tax u/s 143(3) from Deputy Commissioner of Income Tax for ₹ 58 Million (March 31, 2014 ₹ 58 Million). The Company has filed Form 35 with CIT(A) and subsequent appeal before income tax appellant tribunal against this Assessment Order. The company has got favourable order from CIT(A) and ITAT. However on the ground relating to disallowance under section 14A ITAT has referred back the matter to AO for statistical verification. The amount of tax demand relating to this ground is ₹ 1 Million which is pending for disposal with AO.

e) The company has paid ₹ 13 million (CDF 190 million) against the tax demand along with filling of objection letter with the respective tax department against this said demand. The matter is not up for hearing and the management is confident of recovering the same.

II Service Tax Matter:

The company has received an order from Commissioner of service tax confirming demand(including penalty of ₹ 204 million) for the financial years 2004-05 to 2007-08 amounting to ₹ 407 million (March 31, 2014 - ₹ Nil). The Company is in the process of filing an appeal before the Honourable Customs, Excise & Service Tax Appellate Tribunal (CESTAT).

III Other Claims:

a) It includes demand from BSES, New Delhi amounting to ₹ 15 million and from BESCOM, Bangalore amounting to ₹ 7 million.

b) Includes a claim of ₹ 37 million (USD-0.6 million) by a leading telecom customer in Africa. The company has provided for an amount of ₹ 28 million based on it's estimate of the liability and the balance amount is shown under contingent liabilities.

c) Includes a claim of ₹15 million (KES-22 million) by a leading telecom customer in Africa. Customer is still investigating the issue and going to appoint their forensic team for a detailed further investigation.

(ii) Commitments :

(₹) in million

Sr. No.	Particulars	As at 31 March, 2015	As at 31 March, 2014
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**36**	52

30 (1) Details of Derivative Instruments (for hedging):

A) Cash Flow hedges: In accordance with its risk management policy and business plan the Company has hedged its cash flows. The Company enters into Derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Company's foreign currency contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments and highly probable forecast transactions. The Management has assessed the effectiveness of its hedging contracts outstanding as on 31st March 2015 as required by AS-30 and accordingly the Mark to market gain of ₹ 17 million (net) (31st March 2014 ₹ 31 million (net)) is recognized in the Hedging Reserve.

B) The following are the outstanding USD/EUR: INR Currency Exchange Contracts entered into by the Company which have been designated as Cash Flow Hedges.

	Amount outstanding at period end in Foreign Currency	Fair Value Gain/(Loss)	Amount outstanding as at 31st March, 2015
USD	**29 million** (31st March 2014: 23 million)	**₹ 22 million** (31st March 2014: ₹ 49 million)	**₹ 1779 million** (31st March 2014 : ₹ 1449 million)
EUR	**3 million** (31st March 2014: 3 million)	**₹ 30 million** (31st March 2014: ₹ 6 million)	**₹ 188 million** (31st March 2014 : ₹ 280 million)

The forward contracts entered have maturity between 30 days to 1 year from the Balance Sheet date.

(2) Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise:-

(₹) in Million

Particulars	Currency	As at 31st March 2015		As at 31st March 2014	
		Amount in Foreign Currency	Amount in INR Currency	Amount in Foreign Currency	Amount in INR Currency
Trade Receivables	BDT	**52**	**42**	65	50
	CDF	**504**	**35**	244	16
	EUR	**4**	**256**	3	217
	GBP	**0**	**2**	0	17
	GHS	**0**	**5**	1	16
	KES	**21**	**15**	17	12
	MGA	**1,189**	**25**	464	12
	MWK	**284**	**41**	316	49
	SCR	**-**	**-**	2	8
	SLL	**661**	**10**	807	11
	TZS	**1,092**	**37**	2,499	92
	USD	**2**	**137**	1	86
	XAF	**226**	**23**	185	23
	RWF	**33**	**3**	-	-
	XOF	**246**	**25**	539	68
	ZMW	**2**	**16**	2	23
Loans and Advances	AED	**1**	**9**	0	2
	BDT	**72**	**58**	31	24
	CDF	**526**	**36**	130	9
	EUR	**2**	**116**	1	96
	GBP	**0**	**4**	0	8
	GHS	**0**	**7**	0	4
	KES	**43**	**29**	40	28
	LKR	**1**	**0**	1	1
	MGA	**443**	**9**	14	0
	MWK	**106**	**15**	29	4
	RWF	**6**	**1**	-	-
	SCR	**1**	**4**	0	0
	SGD	**0**	**4**	0	0
	SLL	**744**	**11**	425	6
	TZS	**1,776**	**60**	562	21
	UGX	**694**	**15**	495	12
	USD	**11**	**686**	8	469
	XAF	**145**	**15**	38	5
	XOF	**364**	**38**	217	27
	ZAR	**0**	**0**	0	0
	ZMW	**1**	**5**	1	5

					(₹) in Million
Particulars	Currency	**As at 31st March 2015**		As at 31st March 2014	
		Amount in Foreign Currency	**Amount in INR Currency**	Amount in Foreign Currency	Amount in INR Currency
Trade Payables	**AED**	**0**	4	1	22
	BDT	**1**	**1**	9	7
	CDF	**133**	**9**	159	10
	EUR	**0**	**0**	0	5
	GBP	**0**	**6**	0	7
	GHS	**0**	**5**	1	11
	KES	**8**	**5**	46	32
	LKR	**4**	**2**	3	1
	MGA	**91**	**2**	108	3
	MWK	**5**	**1**	4	1
	NGN	**0**	**0**	0	0
	RWF	**2**	**0**	-	-
	SCR	**0**	**1**	0	0
	SGD	**0**	**6**	0	5
	SLL	**95**	**1**	231	3
	TZS	**74**	**3**	110	4
	UGX	**42**	**1**	110	3
	USD	**5**	**327**	7	442
	XAF	**131**	**14**	164	21
	XOF	**143**	**15**	225	28
	ZAR	**0**	**1**	0	2
	ZMW	**0**	**1**	0	3

31. Based on the information available with the company, no creditors have been identified as "Supplier" within the meaning of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

32. Expenditure in Foreign Currency

		(₹) in million
Particulars	**31st March, 2015**	**31st March, 2014**
Travelling Expenses	**336**	240
Software Services Charges	**230**	286
Legal & Consultancy Charges	**326**	332
Conference, Freight & Other Expenses	**194**	284
Employee benefits expenses	**391**	257
Total	**1,477**	1,399

33. Value of import calculated on CIF Basis

Capital Goods	**67**	79
Purchase of equipment and software licenses	**326**	406
Total	**393**	485

34. Earnings in Foreign Currency

Sale of equipment and software licenses	**558**	736
Rendering of services	**3,933**	3,749
Total	**4,491**	4,485

35. Auditors Remuneration

		(₹) **in million**
Particulars	**31st March, 2015**	31st March, 2014
Audit Fees (including quarterly audits)	**4**	3
For other services	**0**	0
For taxation matter	**0**	0
For reimbursement of expenses	**-**	0
Total	**4**	3

36 Basic and Diluted Earning per share

		(₹) in million except earning per share
Particulars	**As at 31 March, 2015**	As at 31 March, 2014
Nominal value per equity share	**10**	10
Profit for the year	**751**	595
Profit attributable to equity shareholders	**751**	595
	No. of Shares	
Weighted average number of equity shares	**21,864,850**	21,864,850
Weighted average number of diluted equity shares	**21,865,915**	21,865,915
Earning Per Share- Basic	**34.35**	27.20
Earning Per Share- Diluted	**34.35**	27.19

37 Details of provisions and movements in each class of provisions as required by the Accounting Standard on Provisions, Contingent Liabilities and Contingent assets (Accounting Standard-29)

Warranty Provision:

		(₹) **in million**
Particulars	**As at 31 March, 2015**	As at 31 March, 2014
Carrying amount as at the beginning of the year	**6**	6
Add: Additional provision made during the year	**12**	6
Less: Provision reversed during the year	**(6)**	(6)
Carrying amount as at the end of the period	**12**	6

Note: Provision for warranty is estimated and made based on technical estimates of the management and is expected to be settled over the period of next year

38 Segment Information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS 17) on Segment Reporting as notified under the Companies (Accounting Standard) Rules, 2014.

39 The company's management assessed the operations of the subsidiaries, including the future projections, to identify indications of diminution, other than temporary, in the value of the investments recorded in the books of account and, accordingly no additional provision is required to be made, other than the amounts provided for in the books of account, except for reversal of provision for impairment for its investment in Comviva technologies Inc. The company had made, in earlier years, provision for its investment in Comviva technologies Inc. amounting to ₹ 2 million, which has been reversed under sundry balances written back (under other income) in year ending March 31, 2015

40 During the year ended 31st March, 2015, Comviva Technologies Nigeria Limited, a 100 % subsidiary of the company, acquired 75% stake in equity of Hedonmark {Management Services} Limited for a consideration of USD 0.35 Million (₹ 20 Million). After completion of necessary procedures and documentation in November 2014, the equity shares were transferred in name of Comviva Technologies Nigeria Limited and they appointed its nominees on the Board and consequently Hedonmark {Management Services} Limited became a subsidiary of Comviva Technologies Nigeria Limited.

41 The Company, in April 2015, has incorporated a 100% subsidiary in Netherlands namely Comviva Technologies B.V.. However, neither any investment has been made by the company in the said subsidiary as of date nor has commenced its operations.

42 Previous year's/period's figures have been re-grouped / re-classified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

Devendra Khanna
Director

Jagdish Mitra
Director

Sunita Umesh
Independent Director

Manoranjan Mohapatra
Managing Director and CEO

Manoj Kohli
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Place: Gurgaon
Date: May 20, 2015

C.P. Gurnani
Director

Ulhas N. Yargop
Director

Rajat Mukherjee
Independent Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMVIVA TECHNOLOGIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **COMVIVA TECHNOLOGIES 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, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and 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, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of 5 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 500 Million as at 31st March, 2015, total revenues of ₹ 731 Million and net cash outflows amounting to ₹ 60 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on

the comments in the auditors' reports of the Holding company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (a) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (b) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (c) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding company is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

   (d) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in respect of such items as it relates to the Group.

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Gurgaon
Date: May 20, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The major portions of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(ii) In respect of its inventories:

(a) As explained to us, the inventories lying with the Holding company were physically verified during the year by the Management at reasonable intervals. Majority of the inventory was lying with third parties, where the certificates confirming stock held at the year-end have been received.

(b) As explained to us, the stock of inventory in the Holding Company's custody have been physically verified by the Management as at the end of the financial year. In our opinion, the frequency of verification is reasonable. In case of inventory, lying with the third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held at the year-end;

(c) In our opinion and according to the information and explanations given to us, the Holding Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) The Holding Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act. Accordingly the provisions of sub clauses (a) and (b) of Clause (iii) of paragraph 3 of the Order are not applicable to the Holding company.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any major weaknesses in such internal control system.

(v) In our opinion and according to the information and explanations given to us, the Holding Company has not accepted deposits. Therefore, the provisions of the clause (v) of paragraph 3 of the Order are not applicable to the Holding Company.

(vi) According to the information and explanations given to us, the provisions of the clause (vi) of paragraph 3 of the Order are not applicable to the Holding Company as the Holding Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Holding Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015, for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

(₹ in million)

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	Financial Year 2004-05	3.31*
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	Financial Year 2005-06	2.27
Income Tax Act, 1961	Income Tax	Assessing Officer	Financial Year 2006-07	1.04
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	Financial Year 2006-07	2.41**
Finance Act,1994	Service Tax	Customs Excise & Service Tax Appellate Tribunal***	Financial Year 2004-05 to 2007-08	407.37

* Excluding amount paid under protest: ₹ 1.50 million.

** Excluding amount paid under protest: ₹ 1.87 million.

*** The company is in the process of filing an appeal.

(d) According to the information and explanations given to us, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

(viii) The Holding Company has accumulated profits at the end of the financial year and the Holding Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Holding Company has not defaulted in the repayment of dues to financial institutions and banks. The Holding Company has not issued any debentures.

(x) According to the information and explanations given to us, the Holding Company has not given guarantees for loans taken by others from bank or financial institution, the terms and conditions whereof are prejudicial to the interest of the Holding Company.

(xi) According to the information and explanations given to us, the Holding Company did not avail any term loan during the year.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no material fraud on the company has been noticed or reported during the year except for a suspected fraud of an estimated amount of ₹ 15 million in which the employees/contractors of the Company are alleged to be involved while being deputed at customer's premises.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant Joshi
Partner
(Membership No. 38019)

Place: Pune
Date: May 20, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

(₹) in million

Particulars		Note No.		31 March, 2015	31 March, 2014
A	**Equity and Liabilities**				
1	**Shareholders' funds**				
	(a) Share capital	3	**219**		219
	(b) Reserves and surplus	4	**3,545**		2,867
				3,764	3,086
2	**Minority Interest**			**-**	-
3	**Non Current Liabilities**				
	(a) Other long-term liabilities	5	**24**		16
	(b) Long term provisions	6	**110**		116
				134	132
4	**Current Liabilities**				
	(a) Trade payables	7	**1,377**		1,442
	(b) Other current liabilities	8	**254**		275
	(c) Short term provisions	9	**131**		59
				1,762	1,776
	TOTAL			**5,660**	4,994
B	**Assets**				
1	**Non current assets**				
	(a) Fixed assets				
	(i) Tangible assets	10A	**205**		192
	(ii) Intangible assets	10B	**9**		9
	(iii) Capital work-in-progress		**26**		9
			240		210
	(b) Goodwill on acquisition		**20**		-
	(c) Deferred tax assets (net)	11	**208**		255
	(d) Long-term loans and advances	12	**530**		329
				998	794
2	**Current Assets**				
	(a) Current Investments	13	**-**		130
	(b) Inventories	14	**58**		98
	(c) Trade receivables	15	**2,723**		2,207
	(d) Cash and cash equivalents	16	**671**		896
	(e) Short-term loans and advances	17	**352**		336
	(f) Other current assets	18	**858**		533
				4,662	4,200
	TOTAL			**5,660**	4,994
C	**See accompanying notes forming part of the financial statements**				

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Hemant M. Joshi
Partner

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
Director

Devendra Khanna
Director

Manoj Kohli
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Rajat Mukherjee
Independent Director

Sunita Umesh
Independent Director

Place: Pune
Date: May 20, 2015

Place: Gurgaon
Date: May 20, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹) **in Million except earnings per share**

	Particulars	Note No.		For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
I.	Revenue from operations	19		**6,842**	5,939
II.	Other income	20		**29**	44
III.	**Total revenue (I+II)**			**6,871**	5,983
IV.	**Expenses**				
	(a) Employee benefits expense	21		**2,009**	1,772
	(b) Subcontracting cost			**532**	518
	(c) Finance costs	22		**1**	1
	(d) Depreciation and Amortization expense	10		**233**	196
	(e) Other expenses	23		**2,960**	2,525
	Total expenses			**5,735**	5,012
V.	**Profit before tax**			**1,136**	971
VI.	**Tax expenses**				
	(a) Current tax		**397**		313
	(b) Deferred tax (Refer Note 11)		**47**		32
				444	345
VII.	**Profit after tax before Minority interest**			**692**	626
VIII.	**Minority Interest**			**(0)**	-
IX.	**Profit for the year**			**692**	626
X.	**Earnings per Equity share (Refer Note 31) (Face value of ₹ 10/- each)**				
	(a) Basic			**31.65**	28.63
	(b) Diluted			**31.65**	28.62
XII.	**See accompanying notes forming part of the financial statements**				

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Hemant M. Joshi
Partner

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
Director

Devendra Khanna
Director

Manoj Kohli
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Rajat Mukherjee
Independent Director

Sunita Umesh
Independent Director

Place: Pune
Date: May 20, 2015

Place: Gurgaon
Date: May 20, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(₹) **in million**

		For the Year ended 31st March, 2015		For the Year ended 31st March, 2014	
A]	**CASH FLOWS FROM OPERATING ACTIVITIES**				
	Profit before tax		**1,136**		971
	Adjustments for:				
	Depreciation and amortization	**233**		196	
	(Profit)/loss on sale of fixed assets	**(0)**		0	
	Interest Expense	**1**		1	
	Interest income	**(10)**		(12)	
	Dividend income	**(5)**		(14)	
	Unrealised foreign exchange difference (net)	**35**		60	
	Employee stock compensation cost	**0**		1	
	Profit on sale of Current Investment	**(0)**		(7)	
			254		225
	Operating Profit before working capital changes		**1,390**		1,196
	Adjustments for changes in working capital:				
	Increase/ (Decrease) in Trade payable, other liabilities and provisions	**(41)**		182	
	Increase / (Decrease) in Trade receivables	**(542)**		(227)	
	Increase / (Decrease) in Other assets	**(327)**		(219)	
			(910)		(264)
	Cash generated from operations		**480**		932
	Direct Taxes Paid		**(553)**		(469)
	Net cash flows from operating activities (A)		**(73)**		463
B]	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	**(261)**		(176)	
	Interest Received	**10**		12	
	Dividend Received	**-**		14	
	Purchase of Investments	**(1,152)**		(2,136)	
	Sale of Investments	**1,287**		2,126	
	Sale of Fixed Assets	**0**		0	
	Acquisition of Company (Refer note 34)	**(20)**		-	
	Net Cash flows from/(used in) investing activities (B)		**(136)**		(160)
C]	**CASH FLOWS FROM FINANCING ACTIVITIES**				
	Repayment of borrowings	**-**		(109)	
	Interest Paid	**(1)**		(1)	
	Net cash flows from/(used in) financing activities (C)		**(1)**		(110)

		For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
			(₹) in million
D]	**Exchange differences on translation of foreign currency cash and cash equivalents**	**(16)**	2
	Net Increase / (decrease) in cash and cash equivalents (A + B+ C + D)	**(226)**	195
	Cash & cash equivalents at the end of the year (refer note 1 below)	**671**	896
	Increase in cash and cash equivalents on acquisition (refer note 33)	**1**	-
	Cash & cash equivalents at the beginning of the year	**896**	701
	Net Increase / (decrease) in cash and cash equivalents	**(226)**	195

(₹) in million

	For the Year ended 31st March, 2015	For the year ended 31st March, 2014
Note 1:		
Cash and cash equivalents include:		
Cash on hand	**0**	1
Remittances in transit	**86**	79
Balance with banks		
- In current accounts	**529**	606
- In deposit accounts	**56**	210
Total Cash and Cash equivalents - Refer Note - 16	**671**	896

Note 2:

Figures in brackets represent outflow of cash and cash equivalents.

Note 3:

The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements.

Note 4:

Previous period's figures have been rearranged/regrouped wherever necessary.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Hemant M. Joshi
Partner

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

Manoranjan Mohapatra
Managing Director and CEO

C.P. Gurnani
Director

Devendra Khanna
Director

Manoj Kohli
Director

Ulhas N. Yargop
Director

Jagdish Mitra
Director

Sriram Gopalakrishnan
CFO & Company Secretary

Rajat Mukherjee
Independent Director

Sunita Umesh
Independent Director

Place: Pune
Date: May 20, 2015

Place: Gurgaon
Date: May 20, 2015

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. **Company Overview**

Comviva Technologies Limited ("company") along with its subsidiaries is in the business of providing Integrated Value Added Services (VAS) to telecom companies, predominantly in emerging markets. The Company's portfolio of services includes mobile financial solutions, mobile music and video applications, messaging and business support systems.

The company is a subsidiary of Tech Mahindra Limited.

2. **Significant Accounting Policies**

2.1 Basis of consolidation

The Consolidated Financial Statements relate to Comviva Technologies Limited (the Company) and its subsidiary companies which constitutes 'the Group".

a. **Basis for preparation of financial statements**

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

b. **Principles of Consolidation:**

The Consolidated Financial Statements have been prepared on the following basis:

i. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses have been fully eliminated.

ii. The excess of cost to the Company of its investments in the Subsidiary Companies over its share of equity of the subsidiary companies, at the dates on which the investment in the Subsidiary Companies are made, is recognized as 'Goodwill on Consolidation' being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary companies on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the Consolidated Financial Statements.

iii. Minority interest in the net assets of the consolidated subsidiary Companies consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

c. **Following Subsidiaries are considered in the Consolidated Financial Statements:**

% of voting power held

Sr. No.	**Name of the Subsidiary**	**Country of Incorporation**	**As at March 31, 2015**	As at March 31, 2014
1	Comviva Technologies Inc.	USA	**100%**	100%
2	Comviva Technologies Nigeria Limited and its following 75% subsidiary:	Nigeria	**100%**	100%
	- Hedonmark {Management Services} Limited (refer note below)	Nigeria	**75%**	-
3	Comviva Technologies Pte. Ltd.	Singapore	**100%**	100%
4	Comviva Technologies FZ-LLC	Dubai	**100%**	100%

Note:

During the year ended 31st March 2015, Comviva Technologies Nigeria Limited, a 100 % subsidiary of the company, acquired 75% stake in equity of Hedonmark {Management Services} Limited for a consideration of USD 0.35 Million (₹ 20 Million). After completion of necessary procedures and documentation in November 2014, the equity shares were transferred in name of Comviva Technologies Nigeria Limited and they appointed its nominees on the Board and consequently Hedonmark {Management Services} Limited became a subsidiary of Comviva Technologies Nigeria Limited.

2.2 Use of Estimates:

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

2.3 Fixed Assets

Fixed Assets are stated at the cost of acquisition, less depreciation /amortization. Costs comprises of the purchase price and other attributable costs.

2.4 Depreciation / Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on fixed assets including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc

Type of asset	Estimated useful life
Plant and Equipment (including Computers)	3 Years
Plant and Equipment (Electrical equipment)	5 Years
Office Equipments	5 Years
Furniture and Fixtures	5 Years

Improvements to leased premises are amortized over their estimated useful life or period of the lease, whichever is shorter.

Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

Computer Software acquired for specific projects are amortized over the initial contract life of the project.

Computer Software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

2.5 Leases

Where the company is a lessee-

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is a lessor

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

2.6 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

2.7 Impairment of Fixed Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and

(b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.8 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

2.9 Inventories

Inventories are stated at lower of cost and net realizable value. In determining the cost of materials, the weighted average cost method is used.

2.10 Revenue recognition

Revenue from sale of equipments and third party software is recognized upon delivery, which is when the title passes to the customer.

Revenue from contracts priced on a time and material basis is recognised when services are rendered.

Revenue from fixed price contracts is recognized as per the proportionate completion method and where there is no uncertainty as to the measurement or collectability of the consideration.

Revenue from annual maintenance and annual technical services contracts is recognised on pro-rata basis over the period of the contract.

Interest income is recognized on time proportion basis

Dividend income is recognized when the Company's right to receive dividend is established.

2.11 Foreign currency transactions

(a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items are translated at the year-end rates and the exchange differences so determined as also the realised exchange differences are recognised in the Statement of Profit and Loss.

(b) Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. Effective April 1st, 2007 the Company designates some of these as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurements" (AS 30).

The use of foreign currency forward contracts/ options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve (under Reserves and Surplus) and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

The accumulated gains / losses on the derivatives accounted in Hedging Reserve are transferred to the Statement of Profit and Loss in the same period in which gains / losses on the item hedged are recognized in the Statement of Profit and Loss.

Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there and is classified to Statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss for the period.

2.12 Employee benefits

Employee benefits includes gratuity, provident fund and leave encashment benefits under the approved schemes of the Company.

In respect of defined benefit plans, the employee benefit costs are accounted for based on actuarial valuation as at the Balance Sheet date.

In respect of defined contribution plans, the contribution payable for the period is charged to the Statement of Profit and Loss.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Other short term employee benefits:

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

2.13 Accounting for Taxes on Income

Tax expense comprises of current and deferred tax.

(a) **Income Tax Provision**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries

(b) **Deferred Tax Provision**

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.14 Earnings per share

The Company reports its basic and diluted earnings per share in accordance with Accounting Standard - 20 on Earnings per Share.

Basic earnings per share is computed by dividing the profit for the period after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit for the period after tax by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2.15 Provisions, Contingent Liabilities and Contingent Assets

As per Accounting Standard (AS) 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for –

(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) Present obligations that arise from past events but are not recognized because-

1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.16 Provision for Warranty

The Company has an obligation by way of warranty to maintain the software during the period of warranty, which may vary from contract to contract. Costs associated with such sale are accrued at the time when related revenues are recorded and included in cost of service delivery. The Company estimates such cost based on historical experience and the estimates are reviewed periodically for material changes in the assumptions.

2.17 Foreign Operations

The financial statements of integral foreign operations are translated as if the transactions of the foreign operations have been those of the Company itself. In translating the financial statements of a non-integral foreign operation, the assets and liabilities, both monetary and non-monetary are translated at the closing rate, income and expense items are translated at average exchange rates and all resulting exchange difference are accumulated in a foreign currency translation reserve until disposal of the net investment in the non-integral foreign operations.

2.18 Change in accounting policy:

(a) Accounting for Hedge Contracts:

Up to 31st March, 2013, forward exchange contracts which were used to hedge company's risks associated with foreign currency fluctuations were accounted for as per the requirements of Accounting Standard (AS) 11-Effects of Changes in Foreign Exchange Rates. The company was thus amortizing the premium on forward cover over the contract period and any gain and loss arising due to reinstatement of forward cover liability was charged to Statement of Profit & Loss.

Effective from 1st April, 2013, the Company has applied hedge accounting principles in respect of forward exchange contracts as set out in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3 - Share capital :

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number	**(₹) in million**	Number	(₹) in million
(a) Authorised :				
Equity shares of ₹ 10 each	**25,500,000**	**255**	25,500,000	255
Series A 0.001% fully convertible non-cumulative preference shares of ₹ 10 each	**8,000,000**	**80**	8,000,000	80
(b) Issued, subscribed and fully paid up :				
Equity shares of ₹ 10 each fully paid up	**21,864,850**	**219**	21,864,850	219
Total		**219**		219

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number	**(₹) in million**	Number	(₹) in million
Equity Shares				
Closing Balance	**21,864,850**	**219**	21,864,850	219

(ii) Terms, rights and restrictions attached to:

Equity Shares:

The Company has equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholders.

Series A 0.001% fully convertible non-cumulative preference shares:

The Company had fully convertible non-cumulative redeemable preference shares having a par value of ₹ 10 per share. Non-cumulative redeemable preference shares carry cumulative dividend @ 0.01 % per annum.

(iii) Details of shares held by the holding company

Particulars	Number of Shares	
	As at 31 March, 2015	As at 31 March, 2014
Tech Mahindra Limited	**14,675,088**	14,675,088

(iv) Details of equity shares held by shareholder holding more than 5%:

	As at 31 March, 2015		As at 31 March, 2014	
Name of shareholder	**No. of Shares**	**% of Holding**	No. of Shares	% of Holding
Equity shares of ₹ 10 each fully paid up				
Tech Mahindra Limited	**14,675,088**	**67.12%**	14,675,088	67.12%
West Bridge Ventures II Investment Holdings	**2,170,931**	**9.93%**	2,170,931	9.93%
Bharti (SBM) Holdings Private Limited	**1,936,420**	**8.86%**	1,936,420	8.86%
Bharti (RM) Holdings Private Limited	**1,210,262**	**5.54%**	1,210,262	5.54%
Bharti (RBM) Holdings Private Limited	**1,210,262**	**5.54%**	1,210,262	5.54%

(v) Shares reserved for issue under options

For details of equity shares reserved for issue under the employees stock option plan (ESOP) of the Company Refer Note 25.

Note 4 - Reserves and surplus :

(₹) in Million

Particulars	**As at 31 March, 2015**		As at 31 March, 2014	
Securities premium account		**567**		567
Hedging Reserve (Refer Note 2.11.b, 2.18 & 30.1)				
Opening balance	**31**		-	
On initial adoption of AS-30 (Refer Note 2.18)	**-**		10	
Less: Transferred to Statement of Profit and Loss on occurrence of forecasted hedge transactions	**-**		10	
Add/(less): change in fair value of forward contracts (net)	**(14)**		31	
Closing balance		**17**		31
				-
Share options outstanding account				
Opening balance	**0**		2	
Add: amortised amount of stock compensation cost (net)	**0**		0	
Less: transfer to surplus in the statement of Profit and Loss on account of cancellation/forfeiture of options	**(0)**		2	
Closing balance		**0**		0
Surplus in the statement of profit and loss				
Opening balance	**2,269**		1,671	
Add: transfer on account of ESOP unexercised	**0**		2	
Add: profit for year	**692**		626	
Less: on initial adoption of AS-30 (Refer Note 2.18)	**-**		30	
Closing balance		**2,961**		2,269
Statutory Reserve*		**0**		0
Total		**3,545**		2,867

*In accordance with the U.A.E. Federal Law No (8) of 1984, as amended, and as per article of association of Comviva Technologies FZ LLC limited, it has established a statutory reserve by transferring 10% of its net profits of Comviva technologies FZ LLC limited for each year until the reserve equals 50% of the issued share capital. This reserve is not available for distribution except as stipulated by the Law. This is discontinued as permitted by law since the reserve has accumulated to 50% of the paid up capital.

Note 5 - Other long-term liabilities :

Particulars	**As at 31 March, 2015 (₹)**	As at 31 March, 2014 (₹)
Unearned revenue	**24**	16
Total	**24**	16

Note 6 - Long-term provisions :

(₹) in Million

Particulars	As at 31 March, 2015	As at 31 March, 2014
Provision for employee benefits		
-Provision for gratuity (Refer Note 24)	**75**	74
-Provision for compensated absences	**35**	42
Total	**110**	116

Note 7 - Trade payables :

Trade payables other than Accrued Salaries and Benefits	**1,128**	1,107
Accrued Salaries and Benefits	**249**	335
Total	**1,377**	1,442

Note 8 - Other current liabilities :

Unearned revenue	**102**	93
Statutory remittances	**78**	58
Advance from customers	**74**	124
Total	**254**	275

Note 9 - Short term provisions :

Provision for employee benefits		
-Provision for gratuity (Refer Note 24)	**4**	3
-Provision for compensated absences	**32**	8
	36	11
Provision for income tax (net of taxes paid)	**83**	41
Provision for warranties (Refer Note 33)	**12**	7
Total	**131**	59

Note 10 - Fixed assets

(₹) in Million

Particulars	Gross Block					Accumulated Depreciation / Amortization					Net Block	
	As at 1st April, 2014	Additions on acquisition (Refer Note 34)	Additions during the year	Disposals during the year	As at 31st March, 2015	As at 1st April, 2014	Additions on acquisition (Refer Note 34)	For the year	On disposal for the year	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
A. Tangible Assets												
Plant and equipment	678	2	157	4	833	513	1	150	3	661	172	165
(Previous year)	621	-	94	37	678	420	-	130	37	513	165	
Furniture and fixtures	23	-	10	-	33	17	-	5	-	22	11	6
(Previous year)	18	-	6	1	23	15	-	3	1	17	6	
Office equipment	30	-	7	-	37	17	-	5	-	22	15	13
(Previous year)	22	-	11	3	30	16	-	4	3	17	13	
Improvement to leased premises	29	-	17	-	46	21	-	18		39	7	8
(Previous year)	12	-	18	1	29	11	-	11	1	21	8	
Total	760	2	191	4	949	568	1	178	3	744	205	192
Previous Year	673	-	129	42	760	462	-	148	42	568	192	
B. Intangible Assets (Other than internally generated)												
Computer software	293	-	55	-	348	284	-	55	-	339	9	9
(Previous year)	257	-	54	18	293	254	-	48	18	284	9	
Intellectual property rights	7	-	-	7	-	7	-	-	7	-	-	-
(Previous year)	7	-	-	-	7	7	-	-	-	7	-	
Total	300	-	55	7	348	291	-	55	7	339	9	9
Previous Year	264	-	54	18	300	261	-	48	18	291	9	

Note 11 - Deferred tax assets (net) :

(₹) **in Million**

Particulars	As at 31 March, 2015	As at 31 March, 2014
Break up of deferred tax assets		
Nature of timing difference		
- Impact of expenditure charged to the statement of profit & loss but allowed for tax purposes on payment basis	**30**	78
- Provision for gratuity and compensated absences	**49**	43
- Provision for doubtful debts and advances	**51**	57
- Provision for depreciation	**28**	18
- Provision for incentives	**50**	59
Total	**208**	255

Note 12 - Long-term loans and advances :

Particulars	As at 31 March, 2015 (₹)	(₹)	As at 31 March, 2014 (₹)
Loans and advances to related parties (Refer Note 28)			
Loan to Comviva ESOP Trust		**17**	17
Capital advances			
Considered good	**13**		15
Considered doubtful	**0**		0
	13		15
Provision for doubtful advances	**0**		0
		13	15
Security deposits			
Considered good	**87**		80
Considered doubtful	**-**		2
	87		82
Provision for doubtful security deposit	**-**		2
		87	80
Other loans and advances			
Advance income taxes (net of provisions)		**412**	215
Prepaid expenses		**1**	2
Total		**530**	329

Note 13 - Current Investments :

(₹) **in Million**

Particulars	As at 31 March, 2015	As at 31 March, 2014
Investments in Mutual Funds (unquoted) (Non-trade) (at cost or NRV whichever is lower)		
Nil (Previous year: 40,315.58) units of ₹ Nil (Previous year: 1,736.3014) - UTI-Treasury advantage fund-institutional plan-Growth	**-**	70
Nil (Previous year: 40,870.06) units of ₹ Nil (Previous year: 1,470.6246) - Baroda Pioneer Liquid Fund plan A-Daily Dividend-Reinvestment	**-**	60
Total	**-**	130

Note 14 - Inventories :

	As at 31 March, 2015	As at 31 March, 2014
	(₹) in Million	
(Valued at lower of cost and net realizable value)		
Others - Stock of IT equipments and purchased software	**58**	98
Total	**58**	98

Note 15 - Trade receivables :

Particulars	**As at 31 March, 2015**		As at 31 March, 2014	
	(₹)	(₹)	(₹)	(₹)
Trade Receivables (Unsecured)				
Over Six Months				
- Considered good*	**407**		363	
- Considered doubtful	**137**		142	
		544		505
Others				
- Considered good**	**2,316**		1,844	
- Considered doubtful	**2**		-	
		2,318		1,844
Total		**2,862**		2,349
Less: Provision for doubtful trade receivables		**139**		142
Total		**2,723**		2,207

* Net of Advances aggregating to ₹ 4 million (Previous Year: ₹ 90 million) pending adjustments with invoices
** Net of Advances aggregating to ₹ 192 million (Previous Year: ₹ 26 million) pending adjustments with invoices

Note 16 - Cash and cash equivalents :

Particulars	**As at 31 March, 2015**	As at 31 March, 2014
	(₹) in Million	
Cash on hand	**0**	1
Remittances in transit	**86**	79
Balances with banks:		
- In current accounts	**529**	606
- In deposit accounts	**56**	210
Total	**671**	896
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	**671**	896

Note 17 - Short-term loans and advances :

Particulars	As at 31 March, 2015		As at 31 March, 2014
(Unsecured, considered good unless otherwise stated)			
Other Loans and advances			
Loans and advances to employees			
Considered good	**90**		109
Considered doubtful	**-**		5
	90		114
Provision for doubtful advances	**-**		5
		90	109
- Prepaid expenses		**71**	55
- Advance to suppliers			
Considered good	**42**		53
Considered doubtful	**2**		8
	44		61
Provision for doubtful advances	**2**		8
		42	53
- Balance with Government authorities		**135**	113
- Others		**14**	6
Total		**352**	336

Note 18 - Other current assets :

Particulars	As at 31 March, 2015	As at 31 March, 2014
Unbilled Revenue (Net of Provision of ₹ 14 million (previous year: ₹ 13 million))	**806**	477
Interest accrued	**0**	1
Fair values of foreign exchange forward contracts	**52**	55
Total	**858**	533

Note 19 - Revenue from operations :

(₹) in Million

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014
Income from rendering of services			
Software services	**3,356**		2,641
Revenue sharing arrangements	**1,521**		1,385
Annual Maintenance Contract services	**904**		804
		5,781	4,830
Income from sale of equipments and software licenses*		**1,061**	1,109
Total		**6,842**	5,939

*Includes revenue in respect of certain contracts which involve delivery of hardware equipment / software but are still part of an integrated solution to the customer, the corresponding cost of which is reflected under Cost of hardware equipment and other items sold (Refer Note 23)

Note 20 - Other income :

(₹) in million

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Interest income	**10**	12
Dividend income on current investments	**5**	14
Profit on sale of current investments	**0**	7
Profit on sale of assets	**0**	(0)
Sundry balances written back	**10**	11
Miscellaneous Income	**4**	0
Total	**29**	44

Note 21. Employee benefits expense :

Salaries, wages and bonus	**1,817**	1,596
Contribution to provident and other funds (Refer Note 24)	**96**	90
Employee stock compensation cost	**0**	1
Staff Welfare Expenses	**96**	85
Total	**2,009**	1,772

Note 22. Finance costs :

Interest Expense:		
Others	**1**	1
Total	**1**	1

Note 23. Operating and other expense :

Cost of hardware equipment and other items sold		**1,192**	1,154
Royalty and software charges		**179**	156
Travelling and conveyance		**675**	558
Specific Project related claims		**23**	34
Freight and forwarding charges		**48**	42
Power and fuel		**29**	25
Rent		**137**	127
Rates and taxes		**43**	40
Insurance		**14**	13
Repairs and maintenance:			
Machinery and computers	**65**		72
Building	**34**		33
Others	**39**		8
		138	113
Advertising and sales promotion		**58**	41
Communication costs		**69**	59
Corporate Social Responsibility		**9**	-
Legal and professional fees (Refer Note 32)		**121**	79
Conference expenses (net)		**46**	57
General office expense		**25**	16
Provision for doubtful debts and advances (net)		**85**	27
Bank charges		**21**	16
Exchange gain/loss (net)		**37**	(44)
Miscellaneous expenses (including warranty) (Refer Note 33)		**11**	12
Total		**2,960**	2,525

24. Employee Benefits

a) Defined Contribution Plan - Provident Fund

Amounts recognized as an expense in the Statement of Profit and Loss in respect of defined contribution plan is ₹ 83 million (year ended March 31, 2014 : ₹ 65 million).

b) Defined Benefit Plan

i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Statement of Profit and Loss.
ii) The Defined Benefit Plans comprise of Gratuity.

Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.
The defined benefit plan is funded.

I] Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :

(₹) in million

Particulars	As at 31st March, 2015	As at 31st March, 2014
Present Value of Defined Obligation as at the beginning of the year	**95**	72
Current Service Cost	**31**	19
Interest cost	**8**	6
Benefits Paid	**(14)**	(6)
Actuarial (gains) / losses on obligation	**(23)**	4
Present Value of Defined Benefit Obligation as at the end of the year	**97**	95

II] Change in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :

(₹) in million

Particulars	As at 31st March, 2015	As at 31st March, 2014
Opening fair value of plan assets	**18**	20
Expected return on plan assets	**1**	2
Contributions by employer	**3**	1
Benefits Paid	**(6)**	(6)
Actuarial Gain	**2**	1
Closing fair value of plan assets at end of the year	**18**	18

III] Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognised in the Balance Sheet :
Benefit assets / (liability)

(₹) in million

Particulars	As at 31st March, 2015	As at 31st March, 2014
Present value of defined benefit obligation	**(97)**	(95)
Fair value of plan assets	**18**	18
Funded status [Surplus / (Deficit)]	**(79)**	(77)
Net Asset / (Liability) recognised in Balance Sheet	**(79)**	(77)

IV] Components of employer expenses recognised in the Statement of Profit and Loss for year ended 31st March, 2015

(₹) in million

Particulars	As at 31st March, 2015	As at 31st March, 2014
Current Service Cost	**31**	19
Interest Cost	**8**	6
Expected return on plan assets	**(1)**	(2)
Net Actuarial (Gain) / Loss	**(25)**	3
Total expense recognised in the Statement of Profit & Loss	**13**	26

V] In respect of Funded Benefits with respect to gratuity, the fair value of Plan assets represents the amounts invested through "Insurer Managed Funds

VI] Assumptions

	As at 31st March, 2015	As at 31st March, 2014
Discount Rate	**7.80%**	8.60%
Expected Rate of Returns on Plan Assets	**8.00%**	7.50%
Salary Escalation	**8.00%**	8.50%
Employee separation Rate	**17.00%**	17.00%

a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

b) Expected Rate of Return on Plan Assets: This is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of obligations.

c) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

VII] Experience History

Particulars	**31 March, 2015**	31 March, 2014	31 March, 2013	31 March, 2012	31 March, 2011
Present value of obligation as at the end of the period	**97**	95	72	62	53
Fair value of the plan assets at the end of the period	**18**	18	20	20	19
Surplus / (Deficit)	**(79)**	(77)	(52)	(42)	(34)
Experience adjustment on plan Liabilities (loss) / gain	**24**	4	1	2	(10)
Experience adjustment on plan Assets (loss) / gain	**2**	1	0	0	0
Actuarial gain/(loss) due to change in assumptions	**(2)**	-	-	-	-

25. Employee Stock Option Plans

The company provides share based payment scheme to its employees "ESOP Plan". During the financial year 2012-13 the company has cancelled that ESOP Plan except to the extent of certain employees who continue to carry stock options.

Employee Stock Option Plan (ESOP) 2009-

Pursuant to shareholders further resolution dated February 24, 2009, the Company announced the ESOP Scheme - Employee Stock Option Plan (ESOP) 2009 "ESOP 2009" with Time Based and Performance Based plans under which the maximum quantum of options was determined at 1,136,203 to be granted to employees of the company and its holding or subsidiaries whether in India or abroad from time to time on the basis of their performance and other eligibility criteria. The above options are planned to be settled in equity at the time of exercise and have maximum vesting period of four years from the date of the respective grants.

Number of options granted, exercised and cancelled/lapsed under the scheme during the period:

Particulars	**As at 31st March, 2015**	As at 31st March, 2014
	Number of options	Number of options
Scheme- ESOP 2009 - Time Based		
Outstanding at the beginning of the year	**4,000**	4,000
Granted during the year	**-**	-
Forfeited during the year	**-**	-
Exercised during the year	**-**	-
Surrendered during the year	**-**	-
Outstanding at the end of the year	**4,000**	4,000

Comviva Employee Stock Option Plan (ESOP)-

Pursuant to shareholders further resolution dated July 29, 2010, the Company announced new Scheme Comviva ESOP Scheme with Time Based and Performance Based plans under which the maximum quantum of options was determined at 800,000 to be granted to employees of the company and its holding or subsidiaries whether in India or abroad from time to time on the basis of their performance and other eligibility criteria. The above options are planned to be settled in equity at the time of exercise and have maximum vesting period of four years from the date of the respective grants.

Number of options granted, exercised and cancelled/lapsed under the scheme during the period:

Particulars	**As at 31st March, 2015 Number of options**	As at 31st March, 2014 Number of options
Comviva ESOP Scheme - Time Based		
Outstanding at the beginning of the year	**2,638**	25,768
Granted during the year	**-**	-
Forfeited during the year	**375**	-
Exercised during the year	**-**	-
Surrendered during the year	**-**	23,130
Outstanding at the end of the year	**2,263**	2,638

26. Leases

i) Operating Lease - As a Lessee

Obligations towards non-cancellable operating Leases

The Company has taken premises an operating lease for the period of one to five years. The expenses of such lease rentals recognised in the statement of Profit and loss account for the year ended March 31st, 2015 is ₹ 137 Million (year ended March 31st,2014: ₹127 Million). The future lease payments of such operating lease are as follows:-

(₹) in million

Particulars	**As at 31st March 2015**	As at 31st March 2014
Minimum Lease Payments		
- Not later than one year	**121**	65
- Later than one year and not later than five years	**201**	18
- Later than five years	**-**	2

27. Segment Information

The company is engaged in providing Integrated Value Added Service (IVAS) solutions for mobile operations, which constitute one single reportable primary segment. The information on geographical segments is given below:-

Secondary segment-Geographical segment

(₹) in million

Particulars	**For the year ended 31st March, 2015**			For the year ended 31st March, 2014		
	India	**Rest of the world**	**Total**	India	Rest of the world	Total
Revenue from operations	**1,882**	**4,960**	**6,842**	1,168	4,771	5,939
Total segmental Revenue	**1,882**	**4,960**	**6,842**	1,168	4,771	5,939

Note:-

The company's operating facilities are located in India.

Segment information on India and Rest of the World is based on geographical location of customers.

Segregation of assets into secondary segment has not been done as the assets are used interchangeably between segment. Consequently the carrying amount of assets by location of assets are not given.

27.1 Additional information

Additional Information as per Section 129 of the Companies Act 2013 given below:-

Name of the entity	Net Assets, i.e., total assets minus total liabilities				Share in profit or loss			
	F.Y. 2014-2015		F.Y. 2013-2014		**F.Y. 2014-2015**		F.Y. 2013-2014	
	As % of consolidated Net Assets	**INR Amount (In Million)**	As % of consolidated Net Assets	INR Amount (In Million)	**As % of consolidated Profit or Loss**	**INR Amount (In Million)**	As % of consolidated Profit or Loss	INR Amount (In Million)
Parent Company								
Comviva Technologies Limited	**101%**	**3,788**	98%	3,036	**111%**	**766**	96%	602
Subsidiaries								
Foreign								
Comviva Technologies Inc.	**0%**	**7**	0%	5	**0%**	**3**	1%	4
Comviva Technologies Nigeria Limited	**0%**	**15**	1%	34	**-3%**	**(20)**	5%	29
Comviva Technologies Singapore PTE. Limited	**-0%**	**(4)**	-0%	(3)	**-0%**	**(2)**	0%	3
Comviva Technologies FZ-LLC	**-1%**	**(40)**	0%	14	**-8%**	**(53)**	-2%	(12)
Hedonmark {Management Services} Limited	**-0%**	**(2)**	0%	-	**-0%**	**(2)**	-	-
Total		**3,764**		3,086		**692**		626
Minority Interest in Subsidiaries	**0%**	**0**			**0%**	**0**	-	-

28. Related Party Disclosure

a) Name of the related party and nature of relationship:-

Name of the party*	Nature of relationship
Tech Mahindra Limited	Holding company
PT Tech Mahindra Indonesia	Fellow subsidiary
New VC Services Private Limited	Fellow subsidiary
Tech Mahindra Foundation	Fellow subsidiary
Comviva ESOP Trust	Enterprise where the Company is in a position to exercise control
Manoranjan Mohapatra	Managing Director and Chief executive officer
Sriram Gopalakrishnan	Chief financial controller

*We have disclosed only those related party with whom company have transactions during the year.

b) Transactions with Related Parties:

(₹) **in million**

Transactions for the year ended 31st March, 2015					**Balance as at 31st March, 2015 Debit/(Credit)**					
Particulars	**Sales**	**Cost of Goods/ service (received)/ provided**	**Donation (Corporate Social Responsibility)**	**Managerial Remuneration**	**Trade Receivable**	**Unbilled**	**Trade Payable**	**Loans & Advances**	**Accrued benefit payable**	
Holding Company										
Tech Mahindra Limited	218	(20)	-	-	61	46	(16)	-	-	
Fellow Subsidiary										
PT Tech Mahindra Indonesia	7	-	-	-	3	-	-	-	-	
New VC Services Private Limited	4	-	-	-	1	-	-	-	-	
Tech Mahindra Foundation	-	-	(4)	-	-	-	-	-	-	
Enterprise where the Company is in a position to exercise control										
Comviva ESOP Trust	-	-	-	-				17		
Key Management Personnel										
Manoranjan Mohapatra	-	-	-	30					(30)	
Sriram Gopalakrishnan	-	-	-	13					(4)	
Transactions for the year ended 31st March, 2014					**Balance as at 31st March, 2014 Debit/(Credit)**					
Particulars	**Sales**	**Cost of Goods/ service (received)/ provided**	**Loan and advance**	**Managerial Remuneration**	**Trade Receivable**	**Unbilled**	**Trade Payable**	**Deferred Revenue**	**Loans & Advances**	**Accrued benefit payable**
Holding Company										
Tech Mahindra Limited	47	(8)	1	-	2	13	(15)	(1)	-	-
Fellow Subsidiary										
PT Tech Mahindra Indonesia	10	-	-	-	0	0	-	(1)	-	-
New VC Services Private Limited	8	-	-	-	10	-	-	-	-	-
Tech Mahindra Foundation	-	-	-	-	-	-	-	-	-	-
Enterprise where the Company is in a position to exercise control										
Comviva ESOP Trust	-	-	-	-	-	-	-	-	17	-
Key Management Personnel										
Mr. Manoranjan Mohapatra	-	(1)	0	37	-	-	-0	-	0	(17)

29 Contingent Liabilities and Commitments:

(i) Contingent Liabilities:

(₹) **in million**

Sr. No.	**Particulars**	**As at 31 March, 2015**	As at 31 March, 2014
1	Bank Guarantees	**86**	66
2	Income tax matters (Refer Note I)	**22**	79
3	Service tax matters (Refer Note II)	**407**	-
4	Other claims against the company not acknowledged as debts (Refer Note II)	**46**	31

Note:

I Income Tax Matter:

a) Demand from Income Tax Authorities for Assessment year 2005-06 (from Assistant Commissioner of Income Tax) ₹ 3 Million (March 31, 2014 ₹ 3 Million) against which company has paid ₹ 2 Million (March 31, 2014 - ₹ 2 Million) under protest.

b) Demand from Income Tax Authorities for Assessment year 2006-07 (from Assistant Commissioner of Income Tax) ₹ 2 Million (March 31, 2014 : ₹ 2 Million)

c) Demand from Income Tax Authorities for Assessment year 2007-08 u/s 154 (from Assistant Commissioner of Income tax) ₹ 3 Million (March 31, 2014 ₹ 3 Million) against which company has paid ₹ 2 Million (March 31, 2014 ₹ 2 Million) under protest.

d) Demand from Income tax Authorities for the Assessment year 2007-08 for payment of additional tax u/s 143(3) from Deputy Commissioner of Income Tax for ₹ 58 Million (March 31, 2014 ₹ 58 Million). The Company has filed Form 35 with CIT(A) and subsequent appeal before income tax appellant tribunal against this Assessment Order. The company has got favourable order from CIT(A) and ITAT. However on the ground relating to disallowance under section 14A ITAT has referred back the matter to AO for statistical verification. The amount of tax demand relating to this ground is ₹ 1 Million which is pending for disposal with AO.

e) The company has paid ₹ 13 Million (CDF 190 Million) against the tax demand along with filling of objection letter with the respective tax department against this said demand. The matter is not up for hearing and the management is confident of recovering the same.

II Service Tax Matter:

The company has received an order from Commissioner of service tax confirming demand(including penalty of ₹ 204 million) for the financial years 2004-05 to 2007-08 amounting to ₹ 407 million (March 31, 2014 - ₹ Nil). The Company is in the process of filing an appeal before the Honorable Customs, Excise & Service Tax Appellate Tribunal (CESTAT).

III Other Claims:

a) It includes demand from BSES, New Delhi amounting to ₹ 15 Million and from BESCOM, Bangalore amounting to ₹ 7 Million.

b) Includes a claim of ₹ 37 Million (USD-0.6 Million) by a leading telecom customer in Africa. The company has provided for an amount of ₹ 28 Million based on it’s estimate of the liability and the balance amount is shown under contingent liabilities.

c) Includes a claim of ₹ 15 Million (KES-22 Million) by a leading telecom customer in Africa. Customer is still investigating the issue and going to appoint their forensic team for a detailed further investigation.

(ii) Commitments :

(₹) in million

Sr. No.	Particulars	As at 31 March, 2015	As at 31 March, 2014
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	**45**	52

30 (1) Details of Derivative Instruments (for hedging):

A) Cash Flow hedges: In accordance with its risk management policy and business plan the Company has hedged its cash flows. The Company enters into Derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Company’s foreign currency contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments and highly probable forecast transactions. The Management has assessed the effectiveness of its hedging contracts outstanding as on 31st March 31 2015 as required by AS-30 and accordingly the mark to market gain of ₹ 17 million (net) (31st March 2015 ₹ 31 million (net)) is recognized in the Hedging Reserve.

B) The following are the outstanding USD/EUR: INR Currency Exchange Contracts entered into by the Company which have been designated as Cash Flow Hedges.

	Amount outstanding at period end in Foreign Currency	Fair Value Gain/(Loss)	Amount outstanding as at 31st March, 2015
USD	**29 million** (31st March 2014 : 23 million)	**₹ 22 million** (31st March 2014: ₹ 49 million)	₹ 1779 million (March 31st, 2014 : ₹ 1449 million)
EUR	**3 million** (31st March 2014: 3 million)	**₹ 30 million** (31st March 2014: ₹ 6 million)	**₹ 188 million** (March 31st, 2014 : ₹ 280 million)

The forward contracts entered have maturity between 30 days to 1 year from the Balance Sheet date.

(2) Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise:-

(₹) in Million

Particulars	Currency	As at 31st March 2015		As at 31st March 2014	
		Amount in Foreign Currency	**Amount in INR Currency**	Amount in Foreign Currency	Amount in INR Currency
Trade Receivables	BDT	**52**	**42**	65	50
	CDF	**504**	**35**	244	16
	EUR	**4**	**294**	2	199
	GBP	**0**	**2**	0	17
	GHS	**0**	**5**	1	16
	KES	**21**	**15**	17	12
	MGA	**1,189**	**25**	464	12
	MWK	**284**	**41**	316	49
	NGN	**166**	**52**	80	29
	SCR	**-**	**-**	2	8
	SLL	**661**	**10**	807	11
	TZS	**1,092**	**37**	2,499	92
	RWF	**33**	**3**	-	-
	USD	**-**	**-**	1	39
	XAF	**226**	**23**	185	23
	XOF	**246**	**25**	539	68
	ZMW	**2**	**16**	2	23
Loans and Advances	AED	**-**	**-**	1	10
	BDT	**72**	**58**	31	24
	CDF	**526**	**36**	130	9
	EUR	**2**	**122**	1	99
	GBP	**0**	**4**	0	8
	GHS	**0**	**7**	0	4
	KES	**40**	**27**	40	28
	LKR	**1**	**0**	1	1
	MGA	**443**	**9**	14	0
	MWK	**106**	**15**	29	4
	NGN	**88**	**28**	53	19
	RWF	**6**	**1**	-	-
	SCR	**1**	**4**	0	0
	SGD	**0**	**3**	0	0
	SLL	**744**	**11**	425	6
	TZS	**1,776**	**60**	562	21
	UGX	**694**	**15**	495	12
	USD	**12**	**743**	8	491
	XAF	**145**	**15**	38	5
	XOF	**364**	**38**	217	27
	ZAR	**0**	**0**	0	0
	ZMW	**1**	**5**	1	5

(₹) in Million

Particulars	Currency	As at 31st March 2015		As at 31st March 2014	
		Amount in Foreign Currency	**Amount in INR Currency**	Amount in Foreign Currency	Amount in INR Currency
Trade Payables	AED	**1**	**10**	2	35
	BDT	**1**	**1**	9	7
	CDF	**133**	**9**	159	10
	EUR	**-**	**-**	-	-
	GBP	**0**	**6**	0	8
	GHS	**0**	**5**	1	11
	KES	**8**	**5**	46	32
	LKR	**4**	**2**	3	1
	MGA	**91**	**2**	108	3
	MWK	**5**	**1**	4	1
	NGN	**34**	**11**	88	32
	RWF	**2**	**0**	-	-
	SCR	**0**	**1**	0	0
	SGD	**0**	**6**	0	5
	SLL	**95**	**1**	231	3
	TZS	**74**	**3**	110	4
	UGX	**42**	**1**	110	3
	USD	**5**	**333**	7	437
	XAF	**131**	**14**	164	21
	XOF	**143**	**15**	225	28
	ZAR	**0**	**1**	0	2
	ZMW	**0**	**1**	0	3

31 Basic and Diluted Earning per share

(₹) in million except earning per share

Particulars	**As at 31st March, 2015**	As at 31st March, 2014
Nominal value per equity share	**10**	10
Profit for the year	**692**	626
Profit attributable to equity shareholders	**692**	626
	No. of Shares	No. of Shares
Weighted average number of equity shares	**21,864,850**	21,864,850
Weighted average number of diluted equity shares	**21,865,915**	21,865,915
Earning Per Share- Basic	**31.65**	28.63
Earning Per Share- Diluted	**31.65**	28.62

32 Auditors Remuneration

(₹) in million

Particulars	**As at 31st March, 2015**	As at 31st March, 2014
Audit Fees (including quarterly audits)	**4**	3
For other services	**0**	0
For taxation matter	**0**	0
For reimbursement of expenses	**-**	0
Total	**4**	3

33 **Details of provisions and movements in each class of provisions as required by the Accounting Standard on Provisions, Contingent Liabilities and Contingent assets (Accounting Standard-29)**

Warranty Provision: **₹ in million**

Particulars	**As at 31st March, 2015**	As at 31st March, 2014
Carrying amount as at the beginning of the year	**6**	6
Add: Additional provision made during the year	**12**	6
Less: Provision reversed during the year	**(6)**	(6)
Carrying amount as at the end of the year	**12**	6

Note: Provision for warranty is estimated and made based on technical estimates of the management and is expected to be settled over the period of next year

34 During the year ended 31st March, 2015, Comviva Technologies Nigeria Limited, a 100 % subsidiary of the company, acquired 75% stake in equity of Hedonmark {Management Services} Limited for a consideration of USD 0.35 Million (₹ 20 Million). After completion of necessary procedures and documentation in November 2014, the equity shares were transferred in name of Comviva Technologies Nigeria Limited and they appointed its nominees on the Board and consequently Hedonmark {Management Services} Limited became a subsidiary of Comviva Technologies Nigeria Limited.

35 The Company, in April 2015, has incorporated a 100% subsidiary in Netherlands namely Comviva Technologies B.V.. However, neither any investment has been made by the company in the said subsidiary as of date nor has commenced its operations.

36 Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 statement containing salient features of the financial statement of subsidiaries are attached herewith annexure.

37 Previous year's/period's figures have been re-grouped / re-classified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman
Devendra Khanna
Director
Jagdish Mitra
Director
Sunita Umesh
Independent Director

Manoranjan Mohapatra
Managing Director and CEO
Manoj Kohli
Director
Sriram Gopalakrishnan
CFO & Company Secretary

C.P. Gurnani
Director
Ulhas N. Yargop
Director
Rajat Mukherjee
Independent Director

Place: Gurgaon
Date: May 20, 2015

Comviva Technologies Limited
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries
AOC-1

For the year ended March 31, 2015 **(₹) in million**

Name of the subsidiary	Comviva Technologies Inc.	Comviva Technologies Nigeria Limited	Comviva Technologies Singapore PTE. Ltd.	Comviva Technologies FZ-LLC	Hedonmark {Management Services} Limited**
Reporting period for the subsidiary concerned	31st December	31st March	31st March	31st March	31st March
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD/63.04	NGN/0.31	SGD/45.46	AED/17.02	NGN/0.31
Share capital	(7)	(3)	(0)	(1)	(1)
Reserves & surplus	(6)	(12)	4	39	2
Total assets	28	208	28	535	0
Total Liabilities	(15)	(193)	(32)	(573)	(1)
Investments	-	18	-	-	-
Turnover*	107	160	7	575	-
Profit/(loss) before taxation*	3	(15)	(2)	(53)	(2)
Provision for taxation*	0	4	-	-	-
Profit after taxation*	3	(20)	(2)	(53)	(2)
Proposed Dividend	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	75%

*Converted at the average exchange rate

**During the year ended 31st March, 2015, Comviva Technologies Nigeria Limited acquired 75% stake in equity of Hedonmark {Management Services} Limited for a consideration of NGN 57,116,039

For the year ended March 31, 2014 **(₹) in million**

Name of the subsidiary	Comviva Technologies Inc.	Comviva Technologies Nigeria Limited	Comviva Technologies Singapore PTE. Ltd.	Comviva Technologies FZ-LLC
Reporting period for the subsidiary concerned	31st December	31st March	31st March	31st March
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD/61.81	NGN/0.36	SGD/47.51	AED/16.31
Share capital	(6)	(4)	(0)	(1)
Reserves & surplus	(3)	(33)	3	(14)
Total assets	32	242	34	388
Total Liabilities	(22)	(205)	(36)	(372)
Investments	-	-	-	-
Turnover*	112	170	7	313
Profit/(loss) before taxation*	4	46	3	(14)
Provision for taxation*	-	17	-	-
Profit after taxation*	4	29	3	(14)
Proposed Dividend	-	-	-	-
% of shareholding	100%	100%	100%	100%

*Converted at the average exchange rate

COMVIVA TECHNOLOGIES INC.

Board of Directors

Mr. Manoranjan Mohapatra

Mr. Ambar Sur

Registered Office

1411,Sawgrass Corporate Parkway,

Suite # B, Sunrise,

Fort Lauderdale, 33323-2888,

USA

Bankers

Bank of America

Auditors

Rajeev Kaul, CPA, PC

DIRECTORS' REPORT FOR THE YEAR ENDED 31st December 2014

The Directors submit their report together with the audited financial statements of Comviva Technologies Inc. ('the Company'), for the year ended 31 December 2014.

FINANCIAL HIGHLIGHTS

In USD

Particulars	**Current Year**	Previous Year
Revenue	**1,757,500**	1,860,500
Other Income (loss)	**(1,255)**	64
Gross Profit	**1,756,245**	1,860,564
Profit/(Loss) Before Tax	**52,148**	71,334
Profit/(Loss) After Tax	**45,060**	64,116

BUSINESS REVIEW

Total Income for the calendar year is USD 1,757,500 as against USD 1,860,500 in previous year.

EVENTS AFTER THE REPORTING PERIOD

There have been no significant events after the reporting period.

SHAREHOLDER AND ITS INTERESTS

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

DIRECTORS

The directors who served during the year were as follows:

Manoranjan Mohapatra

Ambar Sur

AUDITORS

The financial statements have been audited by Rajeev Kaul, CPA, PC who retire and, being eligible, offer themselves for reappointment.

Signed on behalf of the board of directors:

Manoranjan Mohapatra
Director

Ambar Sur
Director

Independent Auditor's Report

The Board of Directors
Comviva Technologies Inc
Florida, USA

Report on the Financial Statements

We have audited the accompanying Balance Sheets of Comviva Technologies Inc., as of December 31st 2014 & December 31st 2013 and the related statement of income, retained earnings and cash flow for the year then ended.

Management Responsibility for the Financial Statements

These financial statements are the responsibility of Comviva Technologies Inc's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects the financial condition of Comviva Technologies Inc as of December 31st, 2014 & December 31st 2013 and the results of its operation and its cash flow for the years then ended, in conformity with accounting principles generally accepted in United States of America.

RAJEEV KAUL, CPA, PC March 9th 2015
NEW YORK

Balance Sheets
as of December 31st 2014 & December 31st 2013

	December 31, 2014 $	December 31, 2013 $
ASSETS		
Current Assets		
Cash & Cash Equivalents	**77,823**	47,120
Accounts Receivables	**343,000**	414,500
Deposits and Loans and Advances	**10,963**	51,426
	431786	513,046
Fixed Assets		
Gross Assets	**25,715**	21,401
Less : Accumlated Depreciation	**(20,484)**	(18,694)
Net Fixed Assets	**5,231**	2,707
TOTAL ASSETS	**437,017**	515,753
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	**238,262**	362,058
Total Current Liabilities	**238,262**	362,058
Shareholders' Equity		
(a) Authorized Share Capital		
Common Stock 25,000 at NPV		
(b) Issued and Subscribed		
Common Stock 10,450 at NPV	**104,500**	104,500
Retained Earnings	**94,255**	49,195
Total Shareholder's Equity	**198,755**	153,695
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**437,017**	515,753

(The accompanying notes are an integral part of the financial statements)

Statements of Income and Retained Earnings
for the year ended December 31st 2014 & December 31st 2013

			December 31, 2014 $	December 31, 2013 $
Software Service			**1,757,500**	1,860,500
Other income/(loss)			**(1,255)**	64
Less :	**Cost of sales**			
	Software Services		**-**	-
GROSS PROFIT			**1,756,245**	1,860,564
Less :	**Expenses**			
Payroll and employee related Exps		(See Schedule)	**757,409**	971,264
General Administration Exps		(See Schedule)	**591,439**	494,434
Selling & Distribution Exps		(See Schedule)	**353,459**	321,661
Depreciation & Amortization		(See Schedule)	**1,790**	1,871
Total Expenses			**1,704,097**	1,789,230
OPERATING PROFIT/ (LOSS)			**52,148**	71,334
Profit/(Loss) Before Interest and Tax			**52,148**	71,334
Less : Prior Year adjustment			**-**	7,218
Profit/(Loss) After Interest			**52,148**	64,116
Less : Provision for Federal Tax			**7,088**	-
			45,060	64,116
Opening Balance of Retained Earnings			**49,195**	(14,921)
Closing Retained Earnings			**94,255**	49,195

(The accompanying notes are an integral part of the financial statements)

Statements of Cash Flows
for the year ended December 31st 2014 & December 31st 2013

	December 31, 2014 $	December 31, 2013 $
Operating activities		
Net income as per Income statement	**52,148**	5,436
Adjustment to income:		
Depreciation & amortization	**1,790**	437
Changes in Working Capital		
(Increase) / Decrease in Other Current Assets	**111,963**	(61,759)
Increase / (Decrease) in Other Liabilities	**-123,796**	9,177
Cash provided by (used in) Operating Activities	**42,105**	-46,709
Investing Activities		
(Increase)/Decrease in Fixed Assets	**(4,314)**	(1,896)
Cash provided by (used in) Investing Activities	**(4,314)**	(1,896)
Financing Activities		
Increase / (Decrease) in Additional Paid in Capital	**-**	-
Increase / (Decrease) in Dues from Affiliates	**-**	-
Cash provided by (used in) Financing Activities	**-**	-
Net Cash Flow Changes during the year	**37,791**	-48,604
Cash & equivalents - beginning balance	**47,120**	80,265
Cash & equivalents - ending balance	**84,911**	31,661

(The accompanying notes are an integral part of the financial statements)

Schedules to Balance Sheets
as of December 31st 2014 & December 31st 2013

		December 31, 2014 $	December 31, 2013 $
Accounts Receivables			
Clearsky Mobile Media Inc		**-**	500
Getlisa Inc		**-**	9,556
Comviva Technologies Ltd.		**343,000**	422,351
		343,000	432,407
Less: Provision for Bad Debts		**-**	(17,907)
Accounts Receivable- Net	**Total**	**343,000**	414,500
Loans and Advances & Deposits			
Rent Deposits		**2,472**	2,472
Salary Advances		**-**	14,633
Tour Advances		**4,921**	30,751
Advance to Suppliers		**3,083**	3,083
Recoverable in Cash/ Kind		**487**	487
	Total	**10,963**	51,426
Fixed Assets			
Computer		**6,981**	6,981
Furniture		**9,761**	9,761
Office Equipments		**8,973**	4,659
	Total	**25,715**	21,401
Accounts Payables			
Expenses Payable		**238,262**	362,058
	Total	**238,262**	362,058

(The accompanying notes are an integral part of the financial statements)

Schedule to Statements of Income
for the year ended December 31st 2014 & December 31st 2013

		December 31, 2014 $	December 31, 2013 $
Payroll and employee related Expenses		**668,953**	600,103
Payroll Expenses		**38,138**	37,537
Payroll Taxes		**45,161**	261,291
PLI- Incentives		**5,157**	4,719
Payroll Fees		**-**	67,614
Staff Welfare Exp.	**Total**	**757,409**	971,264
General and Administration Expenses		**4,895**	4,198
Bank Charges		**294**	1,586
Misc Expenses		**686**	714
Insurance Expenses		**3,449**	1,708
Internet Charges		**66,466**	467,688
Legal & Professional Fee		**498,284**	-
Outsource Expenses		**351**	1,017
Office Expenses.		**865**	1,118
Postage & Delivery		**15,264**	15,264
Rent		**885**	1,141
Stationery Expenses	**Total**	**591,439**	494,434
Selling & Distribution Expenses		**59,089**	32,013
Business Promotion Expenses		**12,633**	
Seminar Expenses		**41,124**	49,537
Telephone Expenses		**240,613**	240,111
Travel Expenses	**Total**	**353,459**	321,661
Depreciation & Amortization		**630**	791
Computer		**-**	490
Furniture		**1,160**	590
Office Equipments	**Total**	**1,790**	1,871

(The accompanying notes are an integral part of the financial statements)

Notes to Financial Statements
For the year ending December 31st 2014 & December 31st 2013

Company Overview

Comviva Technologies Inc (the "company") was incorporated in the State of Virginia on February 5, 2001. The Company is a wholly owned subsidiary of Comviva Technologies Ltd., a Company incorporated under the laws of India.

Business Activity

The company plans to devote substantially all of its efforts to the development of software, manufacture, buy, sell, repair, distribute, job to be a franchise dealer licensee, import, export, and otherwise deal in electronic products and technology, an on-line/internet interactive service or services, internet consulting and web advertising hardware, equipment and at retail, and accessories of every kind and description, and other related and unrelated products at wholesale and at retail, and as principal and/or agent.

Business outlook

Comviva Technologies Ltd., India, the parent company of Comviva Technologies Inc., USA, is in the business of developing software.The current focus is mobility solutions for operators and financial institutions.

The areas of expertise include mobile finance, content, infotainment, messaging, mobile data and managed VAS services. The most mature market in this segment is the Europe and Japan and largest market is USA. The Mobile Financial solutions in USA is slow progress but the outlook is on the increase. The US companies also dominate the research and building of new mobile financial solutions.

Currently Vikram Shanbhag and his team are based out of Miami to cover the Latin American Region which is an emerging market for mobility solutions.

Significant Accounting Policies

Basis of Preparation of Financial Statements

The financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States.

Estimates and Assumptions

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Examples include provisions for returns, concessions and bad debts; and the length of product life cycles and buildings lives. Actual results may differ from these estimates.

Depreciation

Depreciation is provided on a straight-line basis using the estimated useful lives of the assets. The following are the rate of Depreciation:-

Type of Assets	Rate
Plant and Equipments (computers)	33.33%
Plant and Equipments (Electrical Equipments)	20%
Office equipments	20%
Furniture and Fixtures	20%

Financial Instruments

"Disclosure about Fair Value of Financial Instruments" requires disclosure of fair value information about financial instruments for which it is practicable to estimate the value, whether or not recognized on the statement of financial condition. The Fair values of all other financial assets and liabilities are considered to approximate the recorded value due to short term nature of the financial instrument and reporting policies followed by the company.

Provision for Liabilities

All the known and ascertained liabilities have been provided.

Provision for Taxes

Provision for Taxes have been made based on actual tax liabilities.

Revenue Recognition

Revenue from the sale of equipments and third party software is recognized upon delivery, which is when the title passes to customer.

Revenue from contracts priced on a time and material basis is recognized when services are rendered.

Revenue from Fixed price contracts is recognized as per proportionate completion method and where there is no uncertainty as to the measurement or collectability of the consideration.

Revenue from annual maintenance and annual technical services contracts is recognized on pro rata basis over the period of contract.

Related Party Transactions

During the year the company had following inter-company transactions with related entities.

Comviva Technologies Ltd	Revenue	$ 1,757,500
Comviva Technologies Ltd	Reimbursement of Expenses	$ 6,000
Comviva Technologies Ltd	Accounts Receivable	$ 343,000

(Accountant's Audited Report and Accompanying Notes are an integral part of the Financial Statements)

COMVIVA TECHNOLOGIES FZ-LLC

Board of Directors

Mr. Manoranjan Mohapatra

Mr Patrick Allainguillaume (appointment on 28th Mar'2015)

Mr Kaustubh Kashyap (appointment on 28th Mar'2015)

Registered Office

Premises - 240, 2nd Floor, Building -16,

Dubai Internet City, Dubai,

United Arab Emirates

Bankers

Standard Chartered Bank

Abu Dhabi Commercial Bank

Auditors

Morison Menon Chartered Accountants

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The Directors submit their report together with the audited financial statements of Comviva Technologies FZ-LLC ('the Company'), for the year ended 31 March 2015.

Principal activity

The principal activity of the Company is to provide solutions for telecommunication and network.

Financial results

The financial results of the Company for the year ended 31 March 2015 are set out in the statement of profit or loss and other comprehensive income.

Events after the reporting period

There have been no significant events after the reporting period.

Shareholder and its interests

Comviva Technologies Limited, India is the 100% shareholder of the issued share capital of the Company at the reporting date. There were no changes to the shareholding structure during the year.

Directors

The directors who served during the year were as follows:

Mr. Manoranjan Mohapatra

Mr Patrick Allainguillaume (appointment on 28th Mar' 2015)

Mr Kaustubh Kashyap (appointment on 28th Mar' 2015)

Auditors

The financial statements have been audited by Morison Menon Chartered Accountants, who retire and, being eligible, offer themselves for reappointment.

Signed on behalf of the board of directors:

Mr. Manoranjan Mohapatra	**Mr Kaustubh Kashyap**
Director	**Director**

3 May 2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF COMVIVA TECHNOLOGIES FZ-LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Comviva Technologies FZ-LLC, Dubai Internet City, Dubai – U.A.E. ('the Company'), which comprise the statement of financial position as at 31 March 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Comviva Technologies FZ-LLC as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 4 to the financial statements. For the year ended 31 March 2015, the Company incurred loss of AED 3,167,563 as at 31 March 2015, the Company has accumulated losses of AED 2,323,204, and it's total liabilities exceeded its total assets by AED 2,240,704 and it's current liabilities exceeded its current assets by AED 5,939,950. These factors raise doubt about the Company's ability to continue as a going concern. The shareholder has committed to provide adequate financial support to the Company to continue its operations and meet its obligations as they fall due. The accompanying financial statements have been prepared assuming that the Company will continue on a going concern basis and do not include any adjustments that might result from the outcome of this uncertainty.

Report on Other Legal and Regulatory Requirements

We further report that the financial statements comply with the provisions of the Dubai Technology and Media Free Zone Private Companies Regulations 2003 issued under Law No.1 of 2000.

Girija Palat Kannankai
Reg. No : 561
Morison Menon Chartered Accountants

Dubai
3 May 2015

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Notes	31.03.2015 AED	31.03.2014 AED
Assets			
Non-current assets			
Property and equipment	5	**2,142,422**	309,643
Loan to a related party	6	**1,701,608**	1,627,349
Total non-current assets		**3,844,030**	1,936,992
Current assets			
Inventories	7	**239,495**	2,378,065
Trade and other receivables	8	**22,372,919**	16,374,767
Due from a related party	6	**555,179**	-
Cash and cash equivalents	9	**4,428,838**	3,073,970
Total current assets		**27,596,431**	21,826,802
Total assets		**31,440,461**	23,763,794
Shareholder's equity (deficit) and liabilities			
Shareholder's equity (deficit)			
Share capital	10	**55,000**	55,000
Statutory reserve	11	**27,500**	27,500
(Accumulated losses)/retained earnings		**(2,323,204)**	844,359
Total shareholder's equity (deficit)		**(2,240,704)**	926,859
Non-current liabilities			
Provision for employees' end of service benefits	12	**144,784**	42,706
Current liabilities			
Trade and other payables	13	**31,295,051**	22,794,229
Due to related parties	6	**2,241,330**	-
Total current liabilities		**33,536,381**	22,794,229
Total liabilities		**33,681,165**	22,836,935
Total shareholder's equity (deficit) and liabilities		**31,440,461**	23,763,794

The accompanying notes on pages herein form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

Authorised for issue by directors on 3 May 2015.

For Comviva Technologies FZ-LLC

Mr. Manoranjan Mohapatra	Mr Kaustubh Kashyap
Director	Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Notes	31.03.2015 AED	31.03.2014 AED
Revenue	14	**34,536,419**	19,045,474
Cost of sales	15	**(28,957,528)**	(17,294,643)
Gross profit		**5,578,891**	1,750,831
Other income	16	**145,113**	202,774
Administrative and selling expenses	17	**(7,629,745)**	(2,775,702)
Loss from operating activates		**(1,905,741)**	(822,097)
With holding tax paid		**(1,261,822)**	-
Loss for the year		**(3,167,563)**	(822,097)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(3,167,563)**	(822,097)

The accompanying notes on pages herein form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Share capital AED	Statutory reserve AED	(Accumulated losses)/ Retained earnings AED	Total AED
Balance as at 1 April 2013	55,000	27,500	1,666,456	1,748,956
Total comprehensive income for the year	-	-	(822,097)	(822,097)
Balance as at 31 March 2014	55,000	27,500	844,359	926,859
Total comprehensive income for the year	-	-	(3,167,563)	(3,167,563)
Balance as at 31 March 2015	**55,000**	**27,500**	**(2,323,204)**	**(2,240,704)**

The accompanying notes on pages herein form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	31.03.2015 AED	31.03.2014 AED
Cash flows from operating activities		
Loss for the year	**(3,167,563)**	(822,097)
Adjustments for :		
Depreciation	**743,618**	127,336
Interest on loan to a related party	**(88,910)**	(82,561)
(Reversal)/provision for slow moving inventories	**(225,915)**	225,915
Reversal of accrued expenses no longer payable	**(55,000)**	-
Allowance for impairment of trade receivables	**31,536**	-
Net unrealised exchange loss	**14,651**	4,172
Provision for employees' end of service benefits	**102,078**	2,197
Operating cash flows before changes in working capital	**(2,645,505)**	(545,038)
Decrease/(increase) in inventories	**2,364,485**	(130,648)
Increase in trade and other receivables	**(6,029,688)**	(178,632)
Increase in due from a related party	**(555,179)**	-
Increase/(decrease) in trade and other payables	**8,555,822**	(1,915,171)
Increase/(decrease) in due to related parties	**2,241,330**	(245,504)
Net cash generated from/(used in) operating activities	**3,931,265**	(3,014,993)
Cash flows from investing activities		
Purchase of property and equipment	**(2,576,397)**	(104,795)
Loan given to a related party	**-**	(1,548,960)
Net cash used in investing activities	**(2,576,397)**	(1,653,755)
Net increase/(decrease) in cash and cash equivalents	**1,354,868**	(4,668,748)
Cash and cash equivalents at beginning of year	**3,073,970**	7,742,718
Cash and cash equivalents at end of year (Note 9)	**4,428,838**	3,073,970

The accompanying notes on pages herein form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. GENERAL INFORMATION

Comviva Technologies FZ-LLC ('the Company'), Dubai Internet City, Dubai, United Arab Emirates is a 100% subsidiary of Comviva Technologies Limited, India registered on 19 February 2012 with the Dubai Technology and Media Free Zone Authority, United Arab Emirates as a Free Zone Limited Liability Company. The registered address of the Company is premises-240, 2nd Floor, Building – 16, Dubai Internet City, Dubai, United Arab Emirates.

Management considers the parent and ultimate controlling party to be Comviva Technologies Limited, India.

The principal activity of the Company is to provide solutions for telecommunication and network.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

2.1 Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are presented in Arab Emirates Dirhams (AED) and all values are rounded to the nearest Arab Emirates Dirham. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards.

2.3 Adoption of new and revised International Financial Reporting Standards

The following new and revised Standards including amendments thereto and Interpretations which became effective for the current reporting period have been adopted wherever applicable. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

IAS 32: Offsetting Financial Assets and Financial Liabilities

IFRS 10: Consolidated Financial Statements (Amendments to Investment entities)

IFRS 12: Disclosure of Interests in Other Entities (Amendments to Investment entities)

IAS 27: Separate Financial Statements (Amendments to Investment entities)

IAS 36: Recoverable Amount Disclosures for Non-Financial Assets

IAS 39: Financial Instruments: Recognition and Measurement Amendment to IAS 39 'Novation of derivatives'

IFRIC 21: Levies

The following standards, amendments thereto and Interpretations have been issued prior to 31 March 2015 but have not been applied in these financial statements as their effective dates of adoption are for future periods. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the financial statements.

IFRS 9: Financial Instruments - 1 January 2018

IFRS 15: Revenue from Contracts with Customers - 1 January 2017

Amendments to IFRS 11: Accounting for Acquisitions of interests in Joint Operations

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization- 1 January 2016

Amendments to IAS 19: Defined Benefit Plans: Employee Contributions-1 July 2014

2.4 Foreign currencies

(a) *Functional and presentation currency*

The financial statements are prepared and the items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in U.A.E. Dirhams, which is the Company's functional and presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at each reporting date are recognised in the profit or loss. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

2.5 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

The depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	Years
Computers	3
Furniture & fixtures	5
Network system	3
Office equipment	5

The assets' residual values and useful lives are reviewed at each reporting date, with the effect of any changes in estimates adjusted on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gains or losses arising on the disposal or retirement of an item of property and equipment is determined by comparing the disposal proceeds with the carrying amount of the asset and is recognised in profit or loss.

2.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Company as a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised as an expense in the profit or loss on a straight-line basis over the period of the lease.

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing them to their present location and condition. Net realisable value represents the estimate of the selling price in the ordinary course of business, less all estimated costs to completion and costs necessary to make the sale.

2.8 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9 Financial instruments

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

Current financial assets that have fixed or determinable payments and for which there is no active market, which comprise trade and other receivables are classified as loans and receivables and stated at cost or, if the impact is material, at amortized cost using the effective interest method, less any write down for impairment losses plus reversals of impairment losses. Impairment losses and reversals thereof are recognized in the profit or loss.

Current financial liabilities which comprise trade and other payables and payable to related parties are measured at cost or, if the impact is material, at amortised cost using the effective interest method.

2.10 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that a financial asset or a group of financial assets is impaired, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. Impairment losses are written off to the profit and loss or if previously a provision was made, it is written off against the provision.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of previously recognised impairment loss is recognised in the profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investment, net of temporary bank overdrafts.

2.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognised in the profit or loss, net of any reimbursement.

2.13 Provision for employees' end of service benefits

Provision for employees' end of service benefits is made in accordance with the Free Zone regulations, and is based on current remuneration and periods of service at the end of the reporting period.

2.14 Revenue recognition

Revenue (Net of discounts) from sale of goods (comprising of hardware and software) is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods or on final acceptance.

Sale of goods

Revenue (Net of discounts) from sale of goods (comprising of hardware and software) is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

Income from services

Revenue from fixed-price contracts are recognized as per the proportionate-completion method or completed contract method, as applicable provided that no further vendor obligations remain and collection is probable.

Revenue in respect of time-and-material contracts is recognized as and when the related services are rendered.

Annual technical services revenue and revenue from fixed-price maintenance contracts are recognized proportionately over the period in which the services are rendered.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) *Depreciation of property and equipment*

Management assigns useful lives and residual values to property and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life.

b) *Impairment of assets*

Assessments of net recoverable amounts of property and equipment and all financial assets other than receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

c) *Impairment of trade receivables*

The management regularly undertakes a review of the recovery status of amounts due from either third parties or related parties. Such review is made based on variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the customers' financial conditions and collateral requirements from customers in certain circumstances. Based on the review, assumptions are made regarding the extent of impairment allowance required.

d) *Inventory provisions*

The Company reviews the carrying amounts of the inventories at each reporting date and assesses the likely realization proceeds taken into account, the age of inventory, estimated future demand for various items in the inventory, and physical damage etc. Based on the assessment, adequate provisions are made.

4. GOING CONCERN

The financial statements of the Company have been prepared on a going concern basis, which contemplates the realisation of assets and the liquidation of liabilities in the normal course of business. For the year ended 31 March 2015 the Company has incurred a net loss of AED 3,167,563 and as at 31 March 2015, the Company has accumulated losses of AED 2,323,204, and it's total liabilities exceeded its total assets by AED 2,240,704 and it's current liabilities exceeded its current assets by AED 5,939,950. The financial statements do not include any adjustments relating to the recoverability and classifications of the recorded assets and the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern as the shareholder has committed to provide such financial support as may be required to enable the Company to meet its debts and obligations as they fall due.

5. PROPERTY AND EQUIPMENT

	Computers AED	Furniture & fixtures AED	Network system AED	Office equipment AED	Capital work in progress AED	Total AED
Cost						
At 1 April 2013	290,221	86,325	36,275	-	-	412,821
Additions	7,420	-	-	33,193	64,182	104,795
At 31 March 2014	297,641	86,325	36,275	33,193	64,182	517,616
Additions	2,483,794	-	-	7,756	84,847	2,576,397
Transfer	64,182	-	-	-	(64,182)	-
At 31 March 2015	**2,845,617**	**86,325**	**36,275**	**40,949**	**84,847**	**3,094,013**
Accumulated depreciation						
At 1 April 2013	54,563	18,280	7,794	-	-	80,637
Charge for the year	97,434	17,011	11,785	1,106	-	127,336
At 31 March 2014	151,997	35,291	19,579	1,106	-	207,973
Charge for the year	707,006	17,011	11,786	7,815	-	743,618
At 31 March 2015	**859,003**	**52,302**	**31,365**	**8,921**	**-**	**951,591**
Carrying amount						
At 31 March 2015	**1,986,614**	**34,023**	**4,910**	**32,028**	**84,847**	**2,142,422**
At 31 March 2014	145,644	51,034	16,696	32,087	64,182	309,643

Capital work in progress represents costs incurred for the installation of computer hardware. Since the same is not yet installed, it is shown under capital work in progress.

6. RELATED PARTY TRANSACTIONS

Related parties include the shareholder, key management personnel/director, fellow subsidiaries, associates, joint ventures and entities which are controlled directly or indirectly by the shareholder or director or over which they exercise significant management influence. Balances and transactions between the Company and its related parties are described below. Transactions with related parties were entered into on terms as agreed by the management.

Management considers the parent and ultimate controlling party to be Comviva Technologies Limited, India.

During the year, the Company entered into the following transactions with related parties:

	31.03.2015 AED	31.03.2014 AED
During the year, the Company entered into the following transactions with related parties:	**1,517,277**	-
Revenue from other related parties (Note 14)	**278,542**	188,840
Purchases (Note 15)	**10,590,981**	2,919,504
Loan given to a related party	**-**	1,627,349
Interest received on loan to a related party (Note 16)	**88,910**	82,561
Testing consultancy fees (Note 17)	**2,530,606**	89,887
Fund transfer to the Company	**555,179**	-
Fund transfer from the Company	**2,241,330**	-

Loan to a related party	**31.03.2015 AED**	31.03.2014 AED
Comviva Technologies Limited, Nigeria	**1,701,608**	1,627,349

On 12 April 2013, the Company has entered into a loan agreement with Comviva Technologies Limited, Nigeria. As per the agreement, the Company has given a loan of US$ 420,000 which are repayable in full upon 36 months from the date of first disposal under this agreement. The rate of interest shall be LIBOR + 7% which are payable half yearly on 31 March and 30 September every year.

Due from a related party	**31.03.2015 AED**	31.03.2014 AED
Comviva Technologies Limited, Nigeria	**555,179**	-
Due to related parties		
Comviva Technologies Limited, India	**2,008,202**	-
Comviva Technologies Limited, Sharjah	**233,128**	-
	2,241,330	-

Following are the balances due from/to related parties	**31.03.2015 AED**	31.03.2014 AED
Included in trade and other receivables (Note 8)	**2,254,254**	3,056,517
Included in trade and other payables (Note 13)	**23,916,136**	15,081,091

7. INVENTORIES

	31.03.2015 AED	31.03.2014 AED
Stock in trade (Note 15)	**239,495**	2,603,980
Less : Provision for slow moving inventories	**-**	(225,915)
	239,495	2,378,065

Movements in the allowance for impairment of inventories is as follows:

	31.03.2015 AED	31.03.2014 AED
Balance at the beginning of the year	**225,915**	-
Allowance made during the year (Note 15)	**-**	225,915
Reversed during the year (Note 15)	**(225,915)**	-
	-	225,915

8. TRADE AND OTHER RECEIVABLES

	31.03.2015 AED	31.03.2014 AED
Trade receivables	**12,927,897**	12,076,610
Less : Allowance for impairment of trade receivables (Note 17)	**(31,536)**	-
	12,896,361	12,076,610
Unbilled revenue	**8,504,839**	2,265,016
Advance to suppliers	**346,977**	1,009,800
Prepayments	**595,368**	686,279
Advance to employees	**29,374**	337,062
	22,372,919	16,374,767

The average credit period on sale of goods and rendering services is 120 days.

	31.03.2015 AED	31.03.2014 AED
121 to 180 days	**76,824**	-
More than 180 days	**3,408,081**	5,157,478
	3,484,905	5,157,478

Trade receivables which are neither past due nor impaired amounted to AED 9,411,456 (2014 : AED 6,919,132).

Trade receivables include AED 2,254,254 (2014 : AED 3,056,517) receivable from related parties (Note 6).

9. CASH AND CASH EQUIVALENTS

	31.03.2015 AED	31.03.2014 AED
Cash at bank : Current accounts	**4,428,838**	3,073,970

10. SHARE CAPITAL

	31.03.2015 AED	31.03.2014 AED
Authorised, issued and fully paid;		
55 ordinary shares of AED 1,000 each	**55,000**	55,000

11. STATUTORY RESERVE

	31.03.2015 AED	31.03.2014 AED
Balance at the end of the year	**27,500**	27,500

In accordance with the U.A.E. Federal Law No. (8) of 1984, as amended, and the Company's Memorandum of Association, the Company has established a statutory reserve by transferring 10% of net profit for each year until the reserve equals 50% of the issued share capital. This reserve is not available for distribution except as stipulated by the Law. This is discontinued as permitted by law since the reserve has accumulated to 50% of the paid up capital.

12. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	31.03.2015 AED	31.03.2014 AED
Balance at the beginning of the year	**42,706**	40,509
Provided during the year (Note 18)	**102,078**	2,197
	144,784	42,706

13. TRADE AND OTHER PAYABLES

	31.03.2015 AED	31.03.2014 AED
Trade payables	**24,757,030**	16,753,287
Deferred revenue	**3,536,725**	2,907,967
Advance from customers	**1,079,158**	2,379,346
Accrued expenses	**1,737,822**	153,487
Employee benefits payable	**184,316**	600,142
	31,295,051	22,794,229

Trade payables include AED 23,916,136 (2014 : AED 15,081,091) payable to a related party (Note 6).

14. REVENUE

	31.03.2015 AED	31.03.2014 AED
Revenue from :		
Sales of goods	**16,577,552**	8,321,414
Rendering of services	**17,958,867**	10,724,060
	34,536,419	19,045,474

Analysis of revenue is as follows:

	31.03.2015 AED	31.03.2014 AED
Related parties		
Tech Mahindra Ltd, India (Note 6)	**1,517,277**	-
Other related parties (Note 6)	**278,542**	188,840
Others	**32,740,600**	18,856,634
	34,536,419	19,045,474

15. COST OF SALES

	31.03.2015 AED	31.03.2014 AED
Opening inventories	**2,603,980**	2,473,332
Purchases	**23,730,711**	16,791,135
(Reversal)/allowance for slow moving inventories (Note 7)	**(225,915)**	225,915
Less : Closing inventories (Note 7)	**(239,495)**	(2,603,980)
	25,869,281	16,886,402
Direct expenses	**3,088,247**	408,241
	28,957,528	17,294,643

The above purchases include purchases from a related party amounting to AED 10,590,981 (2014 : AED 2,919,504) (Note 6).

16. OTHER INCOME

	31.03.2015 AED	31.03.2014 AED
Interest on loan to a related party (Note 6)	**88,910**	82,561
Reversal of accrued expenses no longer payable	**55,000**	-
Exchange gain	**-**	120,213
Miscellaneous income	**1,203**	-
	145,113	202,774

17. ADMINISTRATIVE AND SELLING EXPENSES

	31.03.2015 AED	31.03.2014 AED
Testing consultancy fees (Note 6)	**2,530,606**	89,887
Employee costs (Note 18)	**2,397,427**	1 , 757,163
Depreciation (Note 5)	**743,618**	127,336
Freight and forwarding charges	**681,041**	227,479
Legal and professional fees	**317,845**	54,399
Travelling expenses	**288,779**	129,286
Communication	**192,003**	36,668
Rent	**118,325**	115,200
Repairs and maintenance	**114,296**	67,145
Advertisement and sale promotion	**79,270**	7,927
Exchange loss	**43,758**	-
Bank charges	**39,374**	48,646
Allowance for impairment of trade receivables (Note 8)	**31,536**	-
Insurance	**21,188**	96,514
Recruitment and visa charges	**21,084**	12,051
Miscellaneous expenses	**9,595**	6,001
	7,629,745	2,775,702

18. EMPLOYEE COSTS

	31.03.2015 AED	31.03.2014 AED
Salaries and allowances	**2,198,012**	1,573,330
End of service benefits (Note 12)	**102,078**	2,197
Other benefits	**97,337**	181,636
	2,397,427	1,757,163

The entire employee costs have been allocated to administrative and selling expenses (Note 17).

19. FINANCIAL INSTRUMENTS

The net carrying amounts of financial assets and financial liabilities at the end of the reporting period are classified below:

	Loans and receivables	
	31.03.2015 AED	31.03.2014 AED
Financial assets		
Trade and other receivables (excluding prepayments, unbilled revenue and advance to suppliers) (Note 8)	**12,925,735**	12,413,672
Loan to a related party (Note 6)	**1,701,608**	1,627,349
Due from a related party (Note 6)	**555,179**	-
Cash and cash equivalents (Note 9)	**4,428,838**	3,073,970
	19,611,360	17,114,991

	At amortised cost	
	31.03.2015 AED	31.03.2014 AED
Financial liabilities		
Trade and other payables (excluding advance from customers and deferred revenue) (Note 13)	**26,679,168**	17,506,916
Due to related parties (Note 6)	**2,241,330**	-
	28,920,498	17,506,916

20. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while providing maximum return to stakeholders through the optimisation of the debt and equity balance and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy on capital risk management remains unchanged from the previous year.

The capital structure of the Company consists of equity funds as presented in the statement of financial position. Debt comprises total amounts owing to third parties and related parties, net of cash and cash equivalents.

21. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's management. The management identifies and evaluates financial risks on regular basis to minimise the adverse impact over the Company's operation.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk : interest rate risk, currency risk and other price risk, such as equity price risk and commodity price risk. The Company's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, when revenue or expense are denominated in a different currency from the Company's functional currency which is United Arab Emirates Dirham (AED). The Company manages the risks through regular monitoring of the currency markets to determine appropriate action to minimise the exposure to the foreign currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings and due to related parties.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables and committed transactions) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company deals only with highly reputed local and international banks. In respect of major customers, credit risk is managed by assessing the credit quality of these major customers, taking into account their financial position, past experience and other factors including regular follow up.

(c) Liquidity risks

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Company manages the liquidity risk through risk management framework for the Company's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available to meet its commitments for liabilities as they fall due.

The table below analyses the Company's remaining contractual maturity for its financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Less than 1 year AED
As at 31 March 2015	
Due to related parties (Note 6)	2,241,330
Trade and other payables (excluding advance from customers and deferred revenue) (Note 13)	26,679,168
	28,920,498
As at 31 March 2014	
Trade and other payables (excluding advance from customers and deferred revenue) (Note 13)	17,506,916

22. FAIR VALUE

The fair value of a particular asset or liability 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 values of the financial assets and liabilities approximate their carrying amounts as reflected in these financial statements.

COMVIVA TECHNOLOGIES NIGERIA LIMITED

Board of Directors
Ambar Sur (Indian)
Manoranjan Mohapatra (Indian)
Pradeep Rao (Indian)
Sriram Gopalakrishnan (Indian)

Registered Office
376, Ikorodu Road,
Kresta Laurel Complex,
4th Floor, Maryland,
Lagos, Nigeria

Bankers
Standard Chartered Bank Limited

Auditors
Baker Tilly Nigeria
(Chartered Accountants)

DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors hereby submit their report and the financial statements of the company for the year ended 31 March, 2015.

1. Results for the year

	NGN'000
Loss before taxation	(43,235)
Taxation	(11,776)
Retained loss for the year	(55,011)
Profit brought forward	91,792
Retained profit carried to balance sheet	36,782

2. Legal form

The company was incorporated on 23 March, 2011 and commenced business operations in November, 2011. It is a private limited liability company owned by Comviva Technologies Limited, India. The company was registered with the Nigerian Investment Promotion Commission on 7 October, 2011.

3. Principal activities

The principal object of the company is to produce and develop computer software and programmes of all kinds.

4. Business review and future development

The company recorded a dwindling performance during the year under review. Management is however unrelenting in its resolve to continue improving on its performance in the ensuing years.

5. Directors' composition

The composition of the directors is as contained on pages herein of these financial statements.

6. Directors' interests

The directors' interests in the company's shares were as follows:

	Number of ordinary shares of N1 each as at 31 March	
	2015	2014
Manoranjan Mohapatra (in trust for Mahindra Comviva, India)	**9,999,999**	9,999,999
Ambar Sur (in trust for Mahindra Comviva, India)	**1**	1

As at 31 March, 2015 Comviva Technologies Limited, India has 10,000,000 ordinary shares of N1 each. The company has 100% foreign equity participation as at 31 March, 2015.

7. Personnel

(a) **Employment of disabled persons:** The Company offers employment opportunities to disabled persons as part of its social responsibility.

(b) **Health, safety and welfare of employees:** The Company maintains medical insurance in addition to payments for the welfare of staff. Also, to motivate staff towards achieving set targets the company pays performance incentive to desiring staff. All essential safety regulations are being observed to guarantee adequate protection of personnel and security of the company's assets.

(c) **Employee involvement and training:** The Company attaches importance to training of its staff. Regular consultative meetings are held at management and departmental levels where staff is kept abreast of the company's plans as well as its achievements and problems.

8. Auditors

Baker Tilly Nigeria (Chartered Accountants), have been appointed as the auditors to the company in accordance with Section 357(5) of the Companies and Allied Matters Act, Cap. C20 LFN 2004. A resolution will be proposed at the annual general meeting to authorise the directors to fix their remuneration.

By Order of the Board

ALPHA GENASEC LIMITED
Company Secretaries
LAGOS, Nigeria
8 May, 2015.

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF
COMVIVA TECHNOLOGIES NIGERIA LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Comviva Technologies Nigeria Limited, for the year ended 31 March, 2015, set out on pages herein which have been prepared on the basis of significant accounting policies on pages herein and other explanatory notes on pages herein.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Statement of Accounting Standards issued by the Nigerian Accounting Standards Board (now Financial Reporting Council of Nigeria) and with the requirements of the Companies and Allied Matters Acts, CAP C20 LFN, 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Nigeria Standards on Auditing (NSAs) issued by the Institute of Chartered Accountants of Nigeria and International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company's financial position as at 31 March, 2015 in accordance with Statements of Accounting Standards issued by the Financial Reporting Council of Nigeria and the Companies and Allied Matters Act, CAP C20 LFN, 2004.

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. In our opinion, proper books of account have been kept by the company; and

iii. The company's balance sheet and profit and loss account are in agreement with the books of accounts.

SOETAN, Titus Alao
FRC/2013/ICAN/00000000091
For: BAKER TILLY NIGERIA
(Chartered Accountants)
LAGOS, Nigeria
8 May, 2015.

STATEMENT OF ACCOUNTING POLICIES

1. Basis of accounting

The financial statements have been prepared under the historical cost convention.

2. Fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

3. Depreciation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

Category	Estimated useful life
Computers	3 years

4. Debtors:

Debtors are stated at their net realisable values.

5. Revenue recognition:

- Revenue from sale of equipments and third party software is recognised upon delivery, which is when the title passes to the customer.
- Revenue from contracts priced on a time and material basis is recognised when services are rendered.
- Revenue from fixed price contracts is recognized as per the proportionate completion method and where there is no uncertainty as to the measurement or collectability of the consideration.
- Revenue from annual maintenance and annual technical services contracts is recognised on pro-rata basis over the period of the contract.
- Interest income is recognized on time proportion basis
- Dividend income is recognized when the Company’s right to receive dividend is established.

6. Pension

The company operates a contributory pension scheme funded by contribution of $7^1/_2$% of staff salaries, transport and housing allowances with a matching contribution of $7^1/_2$% by the company. The contributions are invested through staff appointed Pension Fund Administrators.

7. Deferred taxation

Deferred taxation is computed on the timing differences between the depreciation charged and tax capital allowances claimed on the fixed assets, using the liability method at the current rate of tax.

8. Foreign currencies

Transactions arising during the year are recorded in Naira at the approximate official rates ruling at the time of occurrence. Balances in foreign currencies are converted at the official exchange rates ruling at the balance sheet date. All profits and losses arising on conversion are included in the operating results.

BALANCE SHEET AS AT 31 MARCH, 2015

	Note	**2015** NGN	**2015** NGN	2014 NGN	2014 NGN
Non-current assets:					
Fixed assets	1		**12,440,096**		29,044,976
Deposit for investment	2		**57,116,039**		-
			69,556,135		29,044,976
Current assets:					
Receivables	3	**399,862,771**		209,430,318	
Cash and bank balances		**192,169,786**		427,526,035	
		592,032,557		636,956,353	
Less: Current liabilities:					
Payables	4	**179,275,090**		198,737,744	
Taxation	5	**95,953,523**		98,647,715	
Deferred taxation	5c	**319,652**		2,815,371	
		275,548,265		300,200,830	
Net current assets			**316,484,292**		336,755,523
			386,040,427		365,800,499
Amount falling due after more more than one year	6		**(339,258,429)**		(264,007,538)
Net assets			**46,781,998**		101,792,961
Financed by					
Share capital	7		**10,000,000**		10,000,000
Profit and loss account			**36,781,998**		91,792,961
			46,781,998		101,792,961

Director: **Ambar Sur**

Director: **Sriram Gopalakrishnan**

The accounting policies on pages herein and the notes on pages herein form part of these financial statements

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2015

			2015		2014
	Note		**NGN**		NGN
Turnover	8		**449,194,142**		452,535,009
Cost of sales	9		**(130,905,170)**		(99,708,898)
Gross profit			**318,288,972**		352,826,111
Other income	10		**25,573,637**		26,209,114
			343,862,609		379,035,225
Administration expenses			**(387,098,000)**		(256,885,433
(Loss)/profit before taxation	11		**(43,235,391)**		122,149,792
Current taxation	5	**14,271,291**		47,522,744	
Deferred taxation	5	**(2,495,719)**		(3,536,526)	
			(11,775,572)		43,986,218)
(Loss)/profit after taxation			**(55,010,963)**		78,163,574
Retained profit brought forward			**91,792,961**		13,629,387
Retained profit carried to balance sheet			**36,781,998**		91,792,961
(Loss)/earnings per share of N1			**(N5.50)**		N7.82

Director: **Ambar Sur**

Director: **Sriram Gopalakrishnan**

The accounting policies on pages herein and the notes on pages herein form part of these financial statements

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

	Note	2015	2014
		NGN	NGN
Cash flows from operating activities:			
Operating (loss)/profit before working capital changes	12	**(46,187,971**	117,603,096
Working capital changes	13	**(134,644,216)**	(48,040,893)
Income tax paid		**(16,965,483)**	(4,119,577)
Net cash flow from on operating activities		**(197,797,670)**	65,442,626
Cash flow from investing activities:			
Acquisition of equipment		**(6,016,176)**	(437,950)
Increase in work-in-progress		**-**	3,753,142
Deposit for investment		**(57,116,039)**	-
Interest income		**25,573,637**	26,209,114
Net cash flow from investing activities		**(37,558,758)**	9,524,306
Cash			
Net increase in cash and cash equivalent		**(235,356,248)**	94,966,932
Cash and cash equivalent at 1 April		**427,526,035**	332,559,103
Cash and cash equivalent at 31 March	14	**192,169,786**	427,526,035

Director: **Ambar Sur**

Director: **Sriram Gopalakrishnan**

The accounting policies on pages herein and the notes on pages herein form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015

1. Fixed assets

Costs:	Computers NGN
As at 1 April	**65,096,740**
Additions	**6,016,176**
	71,112,916
Depreciation:	
As at 1 April	**36,051,764**
Charge for the year	**22,621,056**
	58,672,820
Net Book Value:	
As at 31 March, 2015	**12,440,096**
As at 31 March, 2014	**29,044,976**

2. Deposit for investment

	2015 NGN	2014 NGN
HMSL	**57,116,039**	-

1,875,000 0rdinary shares of N 1 each representing 75% stake in HMSL

3. Receivables

	2015 NGN	2014 NGN
Trade receivables (3.1)	**166,433,811**	74,167,623
WHT recoverable (3.2	**135,412,417**	94,962,537
Short term advances (3.3)	**59,888,267**	28,439,665
Prepayments	**36,220,318**	9,409,000
Interest receivable	**731,699**	2,451,493
VAT recoverable	**1,176,259**	-
	399,862,771	209,430,318

	2015 NGN	2014 NGN
3.1 Trade receivables		
Export debtors	**97,469,260**	62,051,148
Domestic debtors	**70,718,471**	12,116,475
	168,187,731	74,167,623
Less: Provision for bad and doubtful debt	**1,753,920**	-
	166,433,811	74,167,623
3.2 WHT recoverable		
WHT foreign	**59,384,277**	59,384,277
WHT recoverable	**13,125,543**	13,125,543
WHT on fixed deposit	**5,640,977**	2,911,801
WHT Nigeria	**57,261,620**	19,540,916
	135,412,417	94,962,537
3.3 Short term loans and advances		
Advances to suppliers	**22,888,547**	24,637,344
Advances for capital goods	**30,083,406**	-
Advance for travel	**6,068,283**	3,468,103
Salary advance	**14,533**	-
Imprest accounts	**833,498**	334,218
	59,888,267	28,439,665
3.3 Prepayments		
Rent	**36,209,325**	9,409,000
Insurance		10,993
	36,220,318	9,409,000

4. Payables

	2015 NGN	2014 NGN
Sundry vendors	**98,095,178**	110,931,833
Provision for expenses	**54,377,292**	56,643,991
Staff and consultants' incentive	**6,015,856**	14,570,626
Deferred income	**-**	1,445,741
WHT	**7,583,680**	2,653,786
PAYE	**288,573**	
VAT	**4,536,569**	7,466,150
Inter entity	**7,966,332**	3,689,927
Sundry – employees	**262,655**	1,191,297
Pension fund contribution	**148,955**	144,393
	179,275,090	198,737,744

5. Taxation

	2015 NGN	2014 NGN
(a) Profit and loss account		
Income tax	**13,151,129**	44,367,435
Education tax	**1,120,162**	3,155,309
	14,271,291	47,522,744
Deferred tax	**(2,495,719)**	(3,536,526)
	11,775,572	43,986,218
(b) Balance sheet:		
Taxation		
As at 1 April	**98,647,715**	55,244,548
Provision for the year	**14,271,291**	47,522,744
	112,919,006	102,767,292
Payments during the year	**(16,965,483)**	(4,119,577)
	95,953,523	98,647,715
(c) Deferred taxation:		
Balance at the beginning of the year	**2,815,371**	6,351,897
Charge for the year	**(2,495,719)**	(3,536,526)
	319,652	2,815,371

The provision for the Company Income Tax has been based on the existing tax rate of 30% and relief in respect of Capital Allowances. The provision also includes 2% Education Tax. Note that the Income Tax provision is off-settable against available WHT credit notes.

6. Amount falling due after more than one year

	2015 NGN	2014 NGN
Intra entity payable	**339,258,429**	264,007,538

7. Share Capital

	2015 NGN	2014 NGN
Authorised:-		
10,000,000 ordinary share of **NGN** 1 each	**10,000,000**	10,000,000
Paid up-		
10,000,000 ordinary share of NGN 1 each	**10,000,000**	10,000,000

8. Turnover

	2015 NGN	2014 NGN
Sales revenue share	**314,705,581**	287,771,776
IT software service	**106,802,230**	121,533,629
Customers and implementation	**-**	37,870,696
Product trade hard and software	**-**	5,358,908
POC software service	**6,746,576**	-
Sales AMC	**20,939,755**	
	449,194,142	452,535,009

Turnover is derived in Nigeria from sale and development of computer software and programmes.

9. Cost of sales

	2015 NGN	2014 NGN
Royalty –exports	**15,236,117**	27,138,282
Royalty-domestic	**113,520,855**	41,284,722
COGS account	**1,701,758**	30,800,663
Purchase software services	**446,440**	1,644,831
Expense (inventory) account	**-**	(1,159,600)
	130,905,170	99,708,898

10. Other income	**25,573,637**	26,209,114

These are interests generated from bank fixed deposits.

11. **(Loss)/profit before taxation**

This is arrived at after charging:–		
Depreciation of fixed assets	**22,621,057**	21,662,418
Auditors' remuneration	**3,800,000**	3,564,000
Loss on exchange	**74,868,492**	13,564,351

12. (Loss)/profit before working capital changes

	2015 NGN	2014 NGN
(Loss)/profit after tax	**(55,010,963)**	78,163,574
Add back/deduct:		
Taxation expense	**11,775,572**	43,986,218
Interest Income	**(25,573,637)**	(26,209,114)
	(68,809,028)	95,940,678
Adjustment for items not involving movement of cash:		
Depreciation	**22,621,057**	21,662,418
	(46,187,971)	117,603,096

13. Working capital changes:

	2015 NGN	2014 NGN
(Increase)/decrease in receivables	**(190,432,453)**	(9,942,110)
Increase/(decrease) in payables	**55,788,237**	(38,098,783)
	134,644,216	(48,040,893)

14. Reconciliation of cash and cash equivalents

Cash comprises cash on hand and in bank and investments in short term liquid instruments. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2015 NGN	2014 NGN
Balance held with banks in Nigeria:		
Cash at bank	**14,169,786**	1,526,035
Short term deposit	**178,000,000**	426,000,000
	192,169,786	427,526,035

15. Responsibilities of directors on the financial statements:

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act, CAP C20 LFN, 2004, the company's directors are responsible for the preparation of the annual financial statements which give a true and fair view of the state of affairs of the company as at 31 March, 2015 and of its Loss for the year ended on that date, and comply with the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004. These responsibilities include ensuring that:

(i) adequate internal control procedures are instituted to safeguard assets and prevent and detect fraud and other irregularities;

(ii) proper accounting records are maintained;

(iii) applicable accounting standards are followed;

(iv) suitable accounting policies are used and consistently applied.

16. Certain prior year balance have been reclassified in line with the current year position

17. Approval of financial statements

These financial statements were approved by the Board of Directors on 8 May, 2015.

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 MARCH, 2015

	2015		2014	
	NGN'000	**%**	NGN'000	%
Earnings	**449,194**		452,535	
Purchases of goods and services	**(297,199)**		(235,238)	
Value added	**151,995**	**100**	243,506	100
Applied as follows:				
In payment of employees:				
Salaries, wages, incentives, insurance and welfare	**172,609**	**113**	99,694	41
In payment to Government:				
Taxation	**11,776**	**8**	43,986	18
Retained for future maintenance of assets:				
Depreciation charge for the year	**22,621**	**15**	21,662	9
Retained for expansion of business:				
(Loss)/profit re-invested in the business	**(55,011)**	**(36)**	78,164	32
	151,995	**100**	243,506	100

FINANCIAL SUMMARY

	2015	2014	2013	2012
	N'000	N'000	N'000	N'00
Results				
Turnover	**449,194**	452,535	451,912	169,260
(Loss)/profit before taxation	**(43,235)**	122,150	82,760	(7,534)
Taxation	**(11,776)**	(43,986)	(61,596)	-
(Loss)/profit after taxation	**(55,011)**	78,164	21,164	(7,534)
Balance sheet				
Share capital	**10,000**	10,000	10,000	10,00
Profit & loss account	**36,782**	91,792	13,629	(7,534)
	46,782	101,792	23,629	2,466
Fixed assets	**12,440**	29,045	50,269	-
Capital work-in-progress	**-**	-	3,753	-
Deposit for investment	**57,116**	-	-	-
Current assets	**592,032**	636,956	532,048	299,455
Current liabilities	**(275,548)**	(300,201)	(375,695)	(296,719)
Intercompany balance	**(339,258)**	(264,008)	(186,746)	(270)
	46,782	101,792	23,629	2,466
(Loss)/earnings per share of N1 (Basic)	**(N 5.50)**	N 7.82	N 2.12	(N 0.75)
(Loss)/earnings per share of N1 (Adjusted)	**(N 5.50)**	N 7.82	N 2.12	(N 0.75)
Net assets per share of N1	**N 4.68**	N 10.18	N 2.36	N 0.25
Net assets per share of N1 (Adjusted)	**N 4.68**	N 10.18	N 2.36	N 0.25

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2015

ADMINISTRATIVE EXPENSES

SCHEDULE 1

	2015	2014
	NGN	NGN
Staff cost	**163,789,517**	94,852,129
Marketing consultancy	**21,602,472**	49,469,169
Accommodation expenses	**17,299,135**	22,149,806
Contract software development outsource	**8,501,105**	21,887,658
Foreign exchange loss	**74,868,492**	13,564,351
Travelling	**12,511,767**	8,533,232
Legal and professional fees	**21,640,128**	6,834,170
Pension fund contribution	**7,934,659**	4,681,950
Interest on others	**4,276,405**	3,689,927
Audit fee	**3,800,000**	3,564,000
Communication	**3,781,221**	2,088,161
Freight	**-**	1,650,644
Bank charges	**665,825**	870,509
Staff training and seminars	**167,510**	455,400
Rates and taxes	**-**	388,889
Entertainment	**126,182**	207,350
Staff welfare	**885,300**	159,950
Other admin expenses	**31,667**	116,230
Membership and subscription	**64,000**	30,000
Repairs and maintenance	**2,743,372**	-
Printing and stationery	**7,000**	29,490
Bad and doubtful debt	**1,753,920**	-
Business promotion	**15,316,693**	-
Insurance - general	**2,710,573**	-
Depreciation	**22,621,057**	21,662,418
	387,098,000	256,885,433

BANK BALANCES

SCHEDULE 2

	2015	2014
	NGN	NGN
Current accounts-		
Standard Chartered Bank – Account 1	**12,824,532**	400,900
Standard Chartered Bank - Account 2	**1,345,254**	1,125,135
	14,169,786	1,526,035
Fixed deposits-		
Standard Chartered Bank	**178,000,000**	426,000,000
Total bank balance	**192,169,786**	427,526,035

HEDONMARK (MANAGEMENT SERVICES) LIMITED

Board of Directors

Mr. Emmanuel Ikazoboh

Mr. Vipul Sharma

Mr. Sriram Gopalakrishnan

Mr. Srinivas Nidugondi

Mr. Abba Khari

Registered Office

NCR Building 8th Fl,6 Broad Street,Lagos,

PO Box 4706,Apapa

Bankers

No bank appointed

Auditors

Femi Davies & Co

REPORT OF THE DIRECTORS

The Directors hereby submit their report and the financial statements of the company for the year ended 31 March, 2015.

1. Results for the year

	NGN'000
Loss before taxation	**(5,253)**
Taxation	**NIL**
Retained loss for the year	**(5,253)**
Profit brought forward	**168**
Retained profit carried to balance sheet	**(5,085)**

2. Legal form

The company was incorporated on 4th August 2004. It is a private limited liability company owned 75% owned by Comviva Technologies Nigeria Limited, 20% by Mr. Emmanuel Ikazoboh, 3% by Mrs. Caroline Ikazoboh, 1% by Mr. Oshone Ikazoboh, 1% by Dr. Esieza Ikazoboh.

3. Principal activities

The principal object of the company is to produce and develop computer softwares and programmes of all kinds.

4. Business review and future development

The company recorded a dwindling performance during the year under review. Management is however unrelenting in its resolve to continue improving on its performance in the ensuing years.

5. Directors' composition

Mr. Sriram Gopalakrishnan
Mr. Vipul Sharma
Mr. Srinivas Nidugondi
Mr. Emmanuel Ikazoboh
Mr. Mallam Abba Kyari

6. Directors' interests

The directors' interests in the company's shares were as follows:

Mr. Emmanuel Ikazoboh holds 5,00,000 ordinary shares of =N= 1 each.

As at 31 March, 2015 Comviva Technologies Nigeria Limited, Nigeria has 1,875,000/- ordinary shares of N1 each. The company has 75 % equity participation as at 31 March, 2015.

7. Personnel

(a) Employment of disabled persons: The Company offers employment opportunities to disabled persons as part of its social responsibility.

(***b) Health, safety and welfare of employees:*** The Company maintains medical insurance in addition to payments for the welfare of staff. Also, to motivate staff towards achieving set targets the company pays performance incentive to desiring staff. All essential safety regulations are being observed to guarantee adequate protection of personnel and security of the company's assets.

(c) Employee involvement and training: The Company attaches importance to training of its staff. Regular consultative meetings are held at management and departmental levels where staff is kept abreast of the company's plans as well as its achievements and problems.

8. Auditors

Femi Davies & Co. Chartered Accountant has been appointed as the auditors to the company in accordance with Section 357(5) of the Companies and Allied Matters Act, Cap. C20 LFN 2004. A resolution will be proposed at the annual general meeting to authorise the directors to fix their remuneration.

BY ORDER OF THE BOARD
CITYSIDE SOLICITORS
Secretaries

LAGOS, Nigeria

AUDITORS' REPORT

TO THE MEMBERS OF
HEDONMARK MANAGEMENT SERVICES NIGERIA LIMITED

We have audited the Financial Statements of Hedonmark Management Services Nigeria Limited as at 31 March 2015 set out on pages herein, which have been prepared on the basis of the Accounting Policies, set out on pages herein.

Directors' responsibility for the Financial Statements

The Directors are responsible for the preparation and presentation of the Financial Statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error: selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International standards on Auditing. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the Financial Statements are free from material misstatements.

An audit includes examination, on a test basis, of evidences relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Financial Statements and whether the accounting policies applied are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of opinion

In our opinion, the Company has kept proper records and the Financial Statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies and Allied Matters Act, CAP C20, LFN 2004.

The Financial Statements give a true and fair view of Hedonmark Management Services Nigeria Limited as at 31 March 2015 in accordance with the Companies and Allied Matters Act CAP C20, LFN 2004.

Chartered Accountants
Lagos, Nigeria.

PARTNER: Femi Davies
FRCN NO: 11230

14 May 2015

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH,2015

		31ST MARCH 2015 NGN	31ST DECEMBER 2013 NGN
Non-current assets			
Plant and equipment	2	**7,99,773**	1,27,29,013
Intangible assets			
Current assets			
Trade and Other receivables		**-**	1,50,00,000
Cash and cash equivalents		**0**	1,19,82,833
		-	2,69,82,833
Current liabilities			
Bank overdrafts			
Trade and other payables		**33,85,149**	4,22,45,605
Current income taxes		**-**	1,04,675
		33,85,149	4,23,50,280
Net current assets		**(33,85,149)**	(1,53,67,447)
Total assets less current liabilities		**(25,85,376)**	(26,38,434)
Non-current liabilities			
Directors' Free Interest Loan		**-**	1,00,00,000
Net assets		**(25,85,376)**	(1,26,38,434)
Capital and reserves			
		1,00,00,000	1,00,00,000
Ordinary share capital	3	**25,00,000**	1,00,00,000
Retained earnings		**1,67,506**	(1,27,38,407)
Loss for the year		**(52,52,882)**	(99,00,027)
Total equity		**(25,85,376)**	(1,26,38,434)

Sriram Gopalakrishnan
Director

Vipul Sharma
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD JAN'14 - MAR'15

		JAN'14 - MAR'15	DECEMBER 2013
	Notes	**NGN**	NGN
Revenue		**-**	2,94,00,000
Direct costs		**-**	(1,56,90,011)
Gross Loss		**-**	1,37,09,989
Administrative Expenses	4	**(52,52,882)**	(2,35,05,341)
Loss before taxation		**(52,52,882)**	(97,95,352)
Taxation charge-Income and education tax		**-**	(1,04,675)
Loss transferred to retained earnings		**(52,52,882)**	(99,00,027)

The Accounting policies on pages herein and the notes form part of these Financial Statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2015

	NGN
Loss before tax (post acquisition)	**(43,45,722)**
Add:	
Depreciation (post acquisition)	**9,60,573**
Operating Profit/(loss) before working capital change	**(33,85,149)**
Working capital change	**(3,12,805)**
Net cash flow from operating activity	**(36,97,954)**
Net (decrease) in cash and cash equivalent	**(36,97,954)**
Cash and cash equivalent as on 20/11/2014	**36,97,954**
Cash and cash equivalent as on 31st March 2015	**(0)**
Net (decrease) in cash and cash equivalent	**(36,97,954)**

** Cash flow has been drawn from date of transfer of control to Mahindra Comviva Limited (20th November 2014)

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Policies

The following are the significant accounting policies applied in the preparation of these accounts: -

a. Basis of Accounting

The Accounts have been prepared under the historical cost convention.

b. Fixed Assets

Fixed assets are stated at cost.

c. Depreciation

Depreciation is calculated to write off the cost of the expected useful lives of the assets at the following rates: -

Computer Equipment Estimated useful life to be 3 years

The Company effective November 21, 2014 has changed the life of assets from 5 year to 3 years for computer equipment.

Had the company continued to charge depreciation on estimate used before November 21, 2014 depreciation charge for period would have been lower by NGN 630,151.

d. Debtors

Debtors are stated after deduction of provision for debts considered doubtful.

NOTES TO ACCOUNTS

1 The Company

Hedonmark Management Services Limited was incorporated in April 2004 and carries on business as management consultants. It commenced business on 6 October 2010.

2 Fixed Assets

	Office Equipment	Total
Cost	**NGN**	**NGN**
At 1 January 2014	49,11,324	49,11,324
Additions	45,000	45,000
At 31 December 2014	49,56,324	49,56,324
Depreciation		
At 1 January 2014	22,88,818	22,88,818
Charge for the period Jan’14 - Mar’15	18,67,733	18,67,733
At 31 December 2014	41,56,551	41,56,551
Net Book Value		
At 31 March 2015	**7,99,773**	**7,99,773**

		Jan'14- Mar'15
3	**Share Capital**	**NGN**
	Authorised :	
	10,000,000 Ordinary shares of N1 each.	**1,00,00,000**
	Issued and fully paid:	
	2,500,000 Ordinary shares of N1 each.	**25,00,000**
4	**Administration expenses**	
	Tax paid on wages	**76,571**
	General expenses	**3,39,913**
	Staff salaries and wages	**16,55,524**
	Rent and service charge	**11,88,141**
	Audit fee	**1,25,000**
	Depreciation	**18,67,733**
	Total Expenses	**52,52,883**

COMVIVA TECHNOLOGIES SINGAPORE PTE. LTD.

Board of Directors

Mr. Manoranjan Mohapatra

Mr. Rohit Gandhi

Mr. Patrick, Henry, Hyacinthe, Emile Allainguillaume

Registered Office

180B, Bencoolen Street, #12-05,

The Bencoolen, Singapore 189648

Bankers

Standard Chartered Bank

Auditors

Akber Ali & Co.

Public Accountant and Certified Public Accountants

DIRECTORS' REPORT

The directors submit their report to the members together with the audited financial statements for the financial year ended 31 March 2015.

Directors

The directors in office at the date of this report are:

Rohit Gandhi

Manoranjan Mohapatra

Patrick, Henry, Hyacinthe, Emile Allainguillaume (appointed on 28 March 2015)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act Cap 50, none of the directors of the Company had an interest in the shares of the Company at the beginning or end of the financial year.

Directors' contractual benefits

Since end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest, other than those disclosed in the financial statements.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditor

The independent auditor, Akber Ali & Co, have expressed their willingness to accept re-appointment.

Signed by,

Manoranjan Mohapatra **Director**	**Rohit Gandhi** **Director**

Singapore

STATEMENT BY DIRECTOR

In our opinion,

(i) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and of the results, changes in equity and cash flows of the Company for the financial year then ended, and

(ii) at the date of this statement and with continuing financial support from the holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Signed by,

Manoranjan Mohapatra **Director**	**Rohit Gandhi** **Director**

Singapore

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMVIVA TECHNOLOGIES SINGAPORE PTE. LTD.

Reg No: 201127764Z

Report on the Financial Statements

We have audited the accompanying financial statements of COMVIVA TECHNOLOGIES SINGAPORE PTE. LTD. ("the Company") set out on pages herein, which comprise the statement of financial position as at 31 March 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015, and of the results, changes in equity and cash flows of the Company for the financial year ended on that date.

Emphasis of Matter

As at 31 March 2015, the Company's total liabilities exceeded its total assets by S$ 89,006. These factors raise substantial doubt that the Company will be able to continue as a going concern. However, the shareholders have indicated their willingness to provide continuing financial support to settle its debts as and when they fall due. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Akber Ali & Co
Public Accountants and Chartered Accountants **Singapore**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 $	2014 $
Turnover	4	**153,594**	141,310
Other Income		**-**	14,202
Change in Inventories		**(146,165)**	146,165
Purchases and Related Expenses		**-**	(196,828)
Other Operating Expenses	5	**(12,713)**	(12,639)
Finance Costs		**(30,190)**	(21,479)
(Loss) / Profit before Taxation		**(35,474)**	70,731
Taxation	6	**-**	-
(Loss) / Profit after Taxation		**(35,474)**	70,731
Other Comprehensive Income		**-**	-
Total Comprehensive Income		**(35,474)**	70,731

The annexed notes form an integral part of the audited financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	2015 $	2014 $
CURRENT ASSETS			
Bank Balances		**56,091**	136,537
Advances		**5,555**	76,052
Amount Due from Holding Company	7	**550,360**	353,264
Inventories	8	**-**	146,165
		612,006	712,018
LESS: CURRENT LIABILITIES			
Trade Payables	9	**-**	141,323
Other Payables and Accruals		**6,129**	7,104
Amount Due to Holding Company	10	**694,883**	617,123
		701,012	765,550
NET CURRENT LIABILITIES		**(89,006)**	(53,532)
EQUITY			
Share Capital	11	**1,000**	1,000
Accumulated Losses		**(90,006)**	(54,532)
		(89,006)	(53,532)

The annexed notes form an integral part of the audited financial statements..

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Share Capital $	Accumulated Loss $	Total $
As at 31 March 2013	1,000	(125,263)	(124,263)
Total Comprehensive Income for the Financial Year	-	70,731	70,731
As at 31 March 2014	1,000	(54,532)	(53,532)
Total Comprehensive Income for the Financial Year	-	(35,474)	(35,474)
As at 31 March 2015	**1,000**	**(90,006)**	**(89,006)**

The annexed notes form an integral part of the audited financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	$	$
Cash Flows from Operating Activities		
(Loss) / Profit Before Taxation	**(35,474)**	70,731
Adjustments:		
Finance Costs	**30,190**	21,479
Operating Cash Flows before Working Capital Changes	**(5,284)**	92,210
Working Capital Changes:		
Advances	**70,497**	(75,741)
Amount Due from Holding Company	**(197,096)**	(142,527)
Inventories	**146,165**	(146,165)
Trade Payables	**(141,323)**	141,323
Other Payables and Accruals	**(975)**	(17,359)
Net Cash Used in Operating Activities	**(128,016)**	(148,259)
Cash flows from Financing Activities		
Finance Costs	**(30,190)**	(21,479)
Amount Due to Holding Company	**77,760**	266,097
Net Cash Generated from Financing Activities	**47,570**	244,618
Net (Decrease) / Increase in Cash and Cash Equivalents	**(80,446)**	96,359
Cash and Cash Equivalents at the Beginning of the Financial Year	**136,537**	40,178
Cash and Cash Equivalents at the End of the Financial Year	**56,091**	136,537
Comprising:		
Bank Balances	**56,091**	136,537

The annexed notes form an integral part of the audited financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements:

1. Corporate Information

The Company is an exempt limited private Company, incorporated and domiciled in Singapore. The registered office of the Company is located at 180B Bencoolen Street, #12-05 The Bencoolen, Singapore189648.

The principal activities of the Company are those of wholesale of computer software and telecommunications equipment.

There has been no significant change in the nature of these activities during the financial year.

2. Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The Company's total liabilities exceeded its total assets by S$ 89,006. These factors raise substantial doubt that the Company will be able to continue as a going concern. However, the shareholders have indicated their willingness to provide continuing financial support to settle its debts as and when they fall due. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

These financial statements are presented in Singapore Dollars ("SGD" or "S$") which is the Company's functional currency. All financial information is presented in Singapore Dollars unless otherwise stated.

The accounting policies adopted are consistent with those of the previous financial year.

New Accounting Standards and Interpretations

The Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations which become effective during the financial year. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

New Accounting Standards and Interpretations Not Yet Adopted

New FRS, amendments to FRS and interpretations that are not yet effective for the financial year beginning on or after 1 April 2014 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company upon initial application.

(b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must be met before the revenue is recognised.

Sales of Goods

Revenue from sale of equipments and third party software is recognised upon delivery, which is when the title passes to the customer.

Services Rendered

Revenue from contracts priced on a time and material basis is recognised when services are rendered. Revenue from fixed price contracts is recognised as per the proportionate completion method and where there is no uncertainty as to the measurement or collectability of the consideration. Revenue from annual maintenance and annual technical services contracts is recognised on pro-rata basis over the period of the contract.

(c) Employee Benefits

Defined Contribution Plan

The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due.

Employee Leave Entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of each financial reporting year.

(d) Income Taxes

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible.

Deferred income tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the financial years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the statement of financial position date.

At each statement of financial position date, the Company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it is has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or the entire deferred tax asset to be utilised.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unabsorbed capital allowances and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax losses can be utilised.

(e) Financial assets

Financial assets, include cash and financial instruments, if any, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loan and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of the financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Company commits to purchase or sell the asset. All financial assets that are not classified as fair value through profit or loss are initially recognised at fair value, plus transaction costs.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

As assessment for impairment is undertaken at least at each statement of financial position date to determine whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of the financial assets is measured.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the reporting date, which are then classified as non-current assets.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date of the impairment is reversed. Any reversal is recognised in the profit or loss.

Receivables are provided against when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of provision for impairment is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

(f) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

If in a subsequent financial year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(g) Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance costs" in the profit or loss.

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the year of borrowings using effective interest method.\

A financial liability is de-recognised 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Borrowings which are due to be settled within twelve months after the reporting date are in current borrowings in the statement of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date. Borrowings to be settled within the Company's normal operating cycle are considered as current. Other borrowings due to be settled more than twelve months after the reporting date are included in the non-current borrowings in the statement of financial position.

Trade payables, other payables and accruals are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(k) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts.

3. Critical Accounting Estimates, Assumptions and Judgements

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual result may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

Critical Judgements in Applying the Company's Accounting Policies

In the process of applying the accounting policies, management has made the following judgment which has significant effects on the amounts recognised in the financial statements:-

Determination of functional currency

In determining the functional currency, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the Company is determined based on management's assessment of the economic environment in which the entity operates and the entity's process of determining sales prices.

Key sources of estimating uncertainty

Management is of the opinion that there are no key assumptions made concerning the future and other key sources of estimating uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

Turnover represents net invoiced value of goods sold during the financial year 5. Other Operating Expenses

	2015	2014
	$	$
Legal and Professional Fees	**8,186**	8,594
Others	**4,527**	4,045
	12,713	12,639

6. Taxation

a) Tax Expense

	2015	2014
	$	$
Current Taxation – on results for the year	**-**	-

b) A reconciliation between the tax expense carried forward and the product of accounting (loss) / profit multiplied by the applicable tax rate for the financial year ended were as follows:

	2015	2014
	$	$
Net (Loss) / Profit before Taxation	**(35,474)**	70,731
Tax calculated at Tax Rate of 17% (2014: 17%)	**(6,031)**	12,024
Adjustments:		
Effect of losses brought forward	**(8,977)**	(21,001)
Unutilised tax losses not recognised	**15,008**	8,977
Tax expense	**-**	-

The Company has estimated unutilised tax losses amounting to $88,282 (2014: $52,808) available for offsetting against future taxable income subject to provisions of the Income Tax Act.

The tax benefit arising from the unutilised tax losses amounting to $15,008 (2014: $8,977) has not been recognised in the financial statements as the realisation of the benefit depends on future profitability and provisions of the Income Tax Act.

7. Amount Due from Holding Company

Amount due from Holding Company is trade in nature, unsecured and interest-free. The credit period on sale of goods is 30 days (2014: 30 days). No interest is charged on the amount due from Holding Company. The age analysis of trade receivables past due but not impaired is as follows:

	2015	2014
	$	$
Past Due by 0 to 3 months	**-**	140,339
Past Due by more than 3 months	**550,360**	212,925
	550,360	353,264

8. Inventories

	2015	2014
	$	$
Computer software and telecommunications equipment	**-**	146,165

The cost of inventories recognised as an expense and included in profit or loss amounts to $146,165 (2014: $50,663).

9. Trade Payables

As at statement of financial position date, trade payables were denominated in United States Dollars. The credit period on purchases is 30 days (2014: 30 days). No interest is charged on trade payables.

10. Amount Due to Holding Company

Amount due to Holding Company is unsecured and repayable on demand. Interest is charged on balances payable, at LIBOR+5.5% (2014: at LIBOR+5.5%) per annum. The table below shows the breakdown of trade and non-trade balances.

	2015 $	2014 $
Trade	**54,769**	50,663
Non-trade	**640,114**	566,460
	694,883	617,123

11. Share Capital

	2015	2014	2015	2014
	No. of Shares		$	$
Issued and Paid Up Shares	**1,000**	1,000	**1,000**	1,000

All issued ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual asset.

12. Related Party Transactions

The Company made the following transactions with its related parties, at rates and terms agreed between them:

Transaction with Holding Company	2015 $	2014 $
Sales to Holding Company	**153,594**	43,376
Purchase from Holding Company	**-**	50,663

13. Financial Risk Management

The main risks arising from the Company's financial instruments are summarised as follows:

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has no significant exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. The Company does not use derivative financial instruments such as foreign currency forward exchange contracts and currency options.

Interest Risk

The interest rate risk exposure is mainly arise from changes in floating interest rate. The Company is not exposed to significant interest rate risk as it does not have any significant interest-bearing assets or liabilities, except for finance lease payable which is subject to fixed interest rate. Accordingly, sensitivity analysis is not disclosed.

Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to the Company. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Trade receivables and other receivables that are neither past due nor impaired are substantially companies with good collection track records with the Company.

Liquidity Risk

Liquidity risk arises in the general funding of the Company's business activities. It included the risks of not being able to fund the business activities at settlement dates and liquidate positions in a timely manner at a reasonable price. The Company manages its liquidity risk by placing its cash and cash equivalents with reputable banks and financing its business activities through the use of funds from the shareholders.

The Company's total liabilities exceeded its total assets by S$89,006. These factors raise substantial doubt that the Company will be able to continue as a going concern. However, the shareholders have indicated their willingness to provide continuing financial support to settle its debts as and when they fall due. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	On demand or within 1 year $	Within 2 to 5 years $
2015		
Trade Payables	**-**	-
Other Payables and Accruals	**6,129**	-
Amount Due to Holding Company	**694,883**	-
2014		
Trade Payables	**141,323**	-
Other Payables and Accruals	**7,104**	-
Amount Due to Holding Company	**617,123**	-

14. Financial Instruments

Fair values

The carrying amount of the financial assets and financial liabilities approximate their fair values.

The Company does not anticipate that the carrying amounts recorded at statement of financial position date would be significantly different from the values that would eventually be received or settled.

Classification of financial instruments

The following tables set out the classification of financial instruments at the end of the financial reporting years:

	Loans and receivables $	Liabilities at amortised cost $
2015		
Financial assets		
Bank Balance	**56,091**	**-**
Advances	**5,555**	
Amount Due from Holding Company	**550,360**	**-**
	612,006	**-**
Financial liabilities		
Trade Payables	**-**	**-**
Other Payables and Accruals	**-**	**6,129**
Amount Due to Holding Company	**-**	**694,883**
	-	**701,012**
2014		
Financial Assets		
Bank Balance	136,537	-
Advances	76,052	-
Amount Due from Holding Company	353,264	-
Inventories	146,165	-
	712,018	-
Financial Liabilities		
Trade Payables	-	141,323
Other Payables and Accruals		7,104
Amount Due to Holding Company	-	617,123
	-	765,550

15. Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company is not subject to externally imposed capital requirements. The management monitors capital based on a gearing ratio. There has been no change in the objectives, policies and processes since last financial year.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowing plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debt.

	2015 $	2014 $
Net Debt	**644,921**	629,013
Total Equity	**(89,006)**	(53,532)
Total Capital	**555,915**	575,481
Gearing Ratio	**1.16 times**	1.09 times

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	2015 $	2014 $
TURNOVER	**153,594**	141,310
COST OF SALES		
Opening Inventories	**146,165**	-
Purchases and Related Expenses	**-**	196,828
Closing Inventories	**-**	(146,165)
	(146,165)	(50,663)
GROSS PROFIT	**7,429**	90,647
OTHER INCOME		
Miscellaneous Income	**-**	14,202
	7,429	104,849
OTHER OPERATING EXPENSES		
Bank Charges	**637**	1,161
Foreign Exchange Loss	**3,890**	2,884
Legal and Professional Fees	**8,186**	8,594
	(12,713)	(12,639)
FINANCE COSTS	**(30,190)**	(21,479)
(LOSS) / PROFIT BEFORE TAXATION	**(35,474)**	70,731

The above statement does not form part of the audited financial statements.

TECH MAHINDRA BUSINESS SERVICES LTD

Board of Directors

Mr. C. P. Gurnani

Mr. Sujit Baksi

Mr. Milind Kulkarni

Mr. Nikhilesh Natvarlal Panchal

Mrs. Ujjwala Girish Apte

Registered Office

Spectrum Towers, Mindspace Complex,

Off. Link Road, Malad (West),

Mumbai- 400 064

Bankers

Kotak Mahindra Bank Limited

Auditors

Deloitte Haskins & Sells LLP

DIRECTORS' REPORT

Your Directors present their Tenth Annual Report together with the audited Accounts of the Company for the year ended March 31, 2015.

FINANCIAL SUMMARY / RESULTS

(Figures in ₹)

For the year ended	March 31 2015	March 31 2014
Income	**7,566,933,023**	7,75,14,70,374
Expenditure	**5,406,673,312**	6,35,97,47,492
Depreciation	**243,976,438**	26,65,78,248
Profit/(Loss) Before Tax & Extra Ordinary items	**1,916,283,273**	1,12,51,44,634
Provision for Taxation	**605,620,763**	36,89,26,507
Deferred Taxes Charge/ (Credit)	**(1,901,225)**	(30,47,074)
Profit/ (Loss) after Tax	**1,312,563,735**	75,92,65,201
Profit /(Loss) Carried forward to Balance Sheet	**1,312,563,735**	75,92,65,201

RESERVES

The Board does not propose to carry any amount to General Reserves of the Company.

BUSINESS OVERVIEW/STATE OF COMPANY'S AFFAIRS

The operational income during the financial year 2014-15 is ₹ 7,567 Mn. The profit before tax has increased to ₹ 1,917 Mn from ₹ 1,126 Mn. The main reason for increase in profitability was Minimum Revenue Commitment (MRC) billing and accrual of ₹ 877 Mn (last year ₹ Nil) as per the Managed Service Agreement (MSA) signed with the customers for the current year.

During the year, the company has started operation in Waterford, Ireland, which is the first onshore operation of the company set up for 3 Ireland.

The head count of the company has decreased from 8222 in March 2014 to 6963 in March 2015, on account of lower call volumes on account of rationalization of systems and resources and also bringing about significant increase in efficiencies.

During the year the company has earned a dividend income of ₹ 180 Mn compared to ₹ 77 Mn in the previous year. The company now invests all its surplus assets in debt funds which provide slightly better post tax yield than a traditional FDs or ICDs.

Neither there are any changes in the nature of the business carried out by your Company during the period under review nor there are any material changes or commitments affecting the financial position of the company after the closure of the financial year of the Company and till the date of the subject Board Report

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells LLP, Chartered Accountants [ICAI Registration No. 117366W/W-100018], the Auditors of your Company, hold office up to the conclusion of the forthcoming Annual General Meeting of the Company and have given their consent for re-appointment. The shareholders will be required to elect auditors for the current year and fix their remuneration. Your Company has received a written confirmation from M/s Deloitte Haskins & Sells LLP to the effect that their appointment, if made, would be in conformity within the limits prescribed in Section 139 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s Deloitte Haskins & Sells LLP as the Auditors of the Company.

SHARE CAPITAL

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 10,000,000 comprising of 10,00,000 equity shares of Face Value ₹ 10/- each.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return as on the financial year ended March 31, 2015 in Form No. MGT – 9 is forming part of the Board's report as **"Annexure 1."**

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed to play its role as an enlightened corporate citizen. The CSR vision of the Company is "Empowerment through Education."

Pursuant to the guidelines prescribed under Section 135 of the Companies Act, 2013 your Board has formed a CORPORATE SOCIAL RESPONSIBILITY (CSR) Committee and the CSR Policy as recommended by the CSR Committee was also approved by the Board. The policy is uploaded on the web site of the Company.

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is forming part of the Board's report as "**Annexure 2".**

DIRECTORS

During the year the Company has appointed two Additional directors as Independent Directors. Mrs. Ujjwala Girish Apte (DIN: 00403378) has been appointed by the Board as Additional Director pursuant to Section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment & Qualification of Directors) Rules, 2014 with effect from March 18, 2015. Further, in accordance with the provisions of Section 149(5) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Qualification of Directors) Rules, 2014, Mr. Nikhilesh Panchal (DIN: 00041080) has been appointed as Additional Director with effect from March 18, 2015. Both directors need to be appointed in the ensuing annual general meeting of the company for a period of five consecutive years. The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013. The requisite Resolutions for their appointment as Independent Directors, are being proposed in the Notice of the ensuing Annual General Meeting for the approval of the Members.

Pursuant to the provisions of Section 152 (6) (c) of the Companies Act, 2013, Mr. Sujit Baksi, Director is liable to retire by rotation and being eligible offer himself for re-appointment.

BOARD AND COMMITTEE OF BOARD

For the Financial Year 2014-15, the Company held Four meetings of the Board of Directors. In accordance with the provisions of Section 177 of the Companies Act, 2013, an Audit Committee of the Board was constituted comprising of Mr. Milind Kulkarni, Chairman, Mr. Nikhilesh Panchal, Member and Mrs. Ujjwala Girish Apte, Member. The terms of reference of the Committee are as prescribed under the Companies Act, 2013 read with relevant Rules.

During the year, Board also constituted a Nomination & Remuneration Committee (NRC) in accordance with the provisions of Section 178 of the Companies Act, 2013. The Committee comprises of Mr. Milind Kulkarni, Chairman, Mr. Nikhilesh Panchal, Member and Mrs. Ujjwala Girish Apte, Member. The terms of reference of the Committee are as prescribed under the Companies Act, 2013 read with relevant Rules. As a measure of good Corporate Governance and in accordance with the provisions of Section 178 of Companies Act, 2013, the Board of directors had approved the Governance Policies comprising of Policy on Appointment and removal of Directors, Policy on Remuneration to the Directors, and other Employees and Policy on Evaluation of performance of the Independent Directors of the Board. The subject policies were also taken on record by the NRC Committee. The subject policy is available on the web site of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans or guarantees or investment under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The particulars of related party transactions in prescribed Form AOC -2 is annexed herewith as **"Annexure 3"**.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s JDNASSA & ASSOCIATES, Practicing Company Secretaries, Pune to undertake the Secretarial Audit of the Company. The Secretarial Audit Report given by CS. Jayavant B. Bhave, Partner, M/s JDNASSA & ASSOCIATES, Practicing Company Secretaries, Pune (FCS No. 4266) is annexed with the Board report as **“Annexure 4”**. The Secretarial Audit report is unqualified and without any reservation or adverse remark.

RISK MANAGEMENT POLICY

The Company believes that it operates in a business environment that is characterized by increasing globalization of markets, intensifying competition and is exposed to multiple risks in the ordinary course of business. This is inevitable, as there can be no entrepreneurial activity without the acceptance of risks and associated profit opportunities.

The company’s risk management objectives are:

- Identify and manage existing and new risks in a planned and coordinated manner with the minimum of disruption and cost.
- Develop a “risk” culture that encourages all associates to identify risks and associated opportunities and to respond to them with effective action plans.

  Risk identification refers not only to the systematic identification of risks but also to the identification of their root causes & impact. It is a continuous process for existing as well as new risks emerging out of evolving business dynamics.

  The company follows a process of identifying any risks and communicates the same to the Chief Risk Officer for assessment and mitigation.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company has an adequate system of internal controls commensurate with its size and the nature of its business. It ensures that transactions are authorized, recorded, and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use and disposition.

The internal control system is supplemented by well documented policies, guidelines and procedures. The Purpose of the internal audit is to provide independent and objective reviews on a continuous basis with assessments of the policies, business activities, operations, systems and controls followed within the company to add value, improve processes and assist the organisation to achieve its goals and objectives. The scope of Internal audit is prepared in accordance with the internal policy and processes as well as external regulatory and other compliances.

DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134 (5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors have prepared the annual accounts on a going concern basis;

(v) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

HUMAN RESOURCE MANAGEMENT

Employees are the core of our business and our most valuable assets. We have successfully sustained and enhanced our organization culture through employee initiatives such as Engagement Surveys for employees, monthly performance management incentives for advisors and contemporary learning and development initiatives. The overall engagement score for the organization showed a significant positive uptrend in the last fiscal. During the year we have hired around 2500 employees, with around 44% sourced through internal channels, this having a very positive impact of an overall reduction in recruitment costs. Through our multipronged people management strategy we have been able to nurture talent and have created opportunities for both personal and professional growth across the organization and the group for our employees

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Conservation of Energy & Technology Absorption

The Company being in the service industry, the rules pertaining to conservation of energy does not apply to the Company. The Company is constantly acquiring new hardware and software solutions and upgrading its existing hardware and software to provide more and better services to its customers.

2. Foreign Exchange earnings and outgo

The foreign exchange earnings of your Company during the year were ₹ 7,312 Mn. (Previous Year – ₹ 7,462 Mn.) while the outgoings were ₹ 155 Mn. (Previous Year – ₹ 62 Mn.).

PARTICULARS OF EMPLOYEES

The information required under Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as an Annexure to this Report. However, pursuant to first proviso to Section 136(1) of the Act, this report is being sent to the shareholders excluding the said information. Any shareholder interested in obtaining this report may write to the Company in this regard.

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the contributions made by employees towards the success of your Company. Your Directors are also thankful for the co-operation and assistance received from its customers, vendors, bankers, STPI, Excise authorities and other regulatory and governmental authorities in India and abroad and its shareholders.

For and on behalf of the Board

Place : Mumbai	**C. P. Gurnani**	**Milind Kulkarni**
Date : May 25, 2015	Director	Director

ANNEXURE-1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS-

1.	CIN	U72900MH2006PLC159149
2.	Registration Date	23-01-2006
3.	Name of the Company	Tech Mahindra Business Services Ltd (Formerly Hutchison Global Services Limited)
4.	Category/Sub-category of the Company	Public Ltd
5.	Address of the Registered office & contact details	Spectrum Towers, Mindspace Complex, Off Link Road, Malad (West), Mumbai , Maharashtra, India – 400064 +91 22 66763333
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY-

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Information Technology enabled Services – voice based call centre services	9983	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING /SUBSIDIARY /ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Tech Mahindra Limited Gateway Building, Apollo Bunder, Mumbai-40001	L64200MH1986PLC041370	Holding	100 %	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)-

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER									
(1) Indian									
a) Individual/HUF									
b) Central Govt.									
c) State Govt .(s)									
d) Bodies Corp.		10,00,000	10,00,000	100%		10,00,000	10,00,000	100%	Nil
e) Banks / FI									
f) Any other….									
Sub-total (A) (1):-		**10,00,000**	**10,00,000**	**100%**		**10,00,000**	**10,00,000**	**100%**	**Nil**
(2) Foreign									
a) NRIs - Individuals									
b) Other -Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any other….									
Sub-total (A) (2):-									
Total shareholding of Promoter									
(A) =(A)(1)+(A)(2)		**10,00,000**	**10,00,000**	**100%**		**10,00,000**	**10,00,000**	**100%**	**Nil**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
Sub-total (B)(1):-									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (Specify)									
Sub-total (B) (2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		**10,00,000**	**10,00,000**	**100%**		**10,00,000**	**10,00,000**	**100%**	**Nil**

(ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Tech Mahindra Ltd	10,00,000	100%	NIL	10,00,000	100%	NIL	NIL
	Total	**10,00,000**	**100%**	**NIL**	**10,00,000**	**100%**	**NIL**	**NIL**

(iii) Change in Promoters' Shareholding (please specify, if there is no change) - NO CHANGE

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/sweat equity etc):				
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc) At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
· Addition	-	-	-	-
· Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify…					
5.	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other Directors:

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Nikhilesh Panchal	Mrs. Ujjwala Apte	-	-	-
	1. Independent Directors ● Fee for attending board /committee meetings ● Commission ● Others, please specify	- - - -	- - - -	- - - -	- - - -	- - - -
	Total (1)	-	-	-	-	-
	2. Other Non-Executive Directors ● Fee for attending board /committee meetings ● Commission ● Others, please specify	Mr. C. P. Gurnani - - -	Mr. Sujit Baksi - - -	Mr. Milind Kulkarni - - -		
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	NIL	NIL	NIL	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD-

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company Secretary cum CFO	Total Amount
1.	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, specify…	--	--	--
5.	Others, please specify	--	--	--
	Total	**--**	**--**	**--**

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no penalties / punishment / compounding of offences against Tech Mahindra Business Services Limited and its Directors and Officers for the year ended on March 31, 2015.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 25, 2015

C. P. Gurnani
Director

Milind Kulkarni
Director

Annexure 2

Format for the Annual Report on CSR activities to be included in the Board's report
Tech Mahindra Business Services Limited, FY 2014-15

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.-**

Tech Mahindra Business Services Limited (TMBSL) is one of India's largest international telecom BPOs, with a decade of expertise developed in delivering end-to-end customer lifecycle management to leading telecom brands across Europe & APAC. As part of the Tech Mahindra family, TMBSL is committed in supporting all their CSR initiatives through the Tech Mahindra Foundation (TMF).

The CSR vision of TMBSL is aligned to the CSR vision of its holding company, Tech Mahindra Limited (TML), which is "Empowerment through Education." Currently the CSR focus area for TMBSL is promotion of Education. Within this broad theme specific areas such as school education, education for employment, and higher education are included.

TML has established Tech Mahindra Foundation (TMF) in 2007 under Section 25 of the Companies Act, 1956 (referred to as a Section 8 Company in Companies Act, 2013) of dedicated professionals to carry out its CSR activities. The TMF has been focusing on implementation projects related to education and employability. A brief profile of the projects undertaken by TMF is given below.

Projects	Description
Tech Mahindra Foundation: Promoted quality education and employability for vulnerable sections of society through vibrant and innovative partnerships with the government, NGO's, CBO's and other organizations across ten major cities of India.	
School Education: Projects are aimed to improve the quality of school education through infrastructure improvement, capacity building of all stakeholders and supplementary education.	
ARISE	All Round Improvement in School Education
ARISE+	ARISE for children with disabilities
Shikshaantar	Training/Capacity Building of Teachers
Shiksha Samvardhan	Remedial and Supplementary Education

A copy of TMBSL's **CSR Vision and Policy Document** is available online at: http://www.techmbs.in/userfile/news-events/CSR-Policy-TechMBS.pdf

2. **Composition of the CSR Committee.-**

C. P. Gurnani, Milind Kulkarni, Nikhilesh Panchal

3. **Average net profit of the company for the last three financial years.**

Following is the net profit before tax for the last three financial years:

FY 2011-12: INR 1047 Mn

FY 2012-13: INR 1103 Mn

FY 2013-14: INR 1123 Mn

The average net profit before tax comes to: INR 1091 Mn

4. **Prescribed CSR Expenditure (two per cent, of the amount as in item 3 above).**

INR 21.82 Mn (2% of Average PBT)

5. **Details of CSR spent during the financial year**

(a) Total amount to be spent for the financial year: **INR 21.82 Mn**

(b) Amount unspent, if any: **Nil**

(c) Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs: (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs-wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure up to the reporting period**	**Amount spent Direct or through implementing agency**
1	**School Education**	Schedule VII, Item 2 (promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the	**Programme** - ARISE - ARISE+ - Shikshaantar - Shiksha Samwardhan	**Budget (INR Mn)** 3.50 4.90 11.00 3.10 22.50 (Total) **22.50 (grand total)**	**Spent (Unspent)** 3.50 (0.00) 4.90 (0.00) 10.32 (0.00) 3.10 (0.00)	**Spent (Unspent)** **21.82 (0.00)** **21.82 (0.00)**	100% amount spent through implementing agencies listed below Sarthak Educational Trust Hyderabad Eye Institute Parikrma Humanity Foundation (PHF) Suyam Charitable Trust Katha Tara Mobile Creche

* **Total Amount Received from TMBSL : -** **₹ 21.82 Mn**
TMF Spent: - **₹ 21.82 Mn**
Unspent: - **NIL.**

6. In case, the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in the Board report.

TMBSL has spent ₹ 21.82 Mn which is 2% of the average net profit for last 3 years

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For TMBSL, Corporate Social Responsibility means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. It entails having business policies that are ethical, equitable, environmentally conscious, gender sensitive, and sensitive towards the differently abled.

We have adequate systems and tools in place that go beyond regulatory requirement. In collaboration with our community, we analyze the potential impacts of our operations before setting up any new project and during any expansion of existing projects, so as to address the concerns of the community. At the end of a project, the implementing partner submits a report pertaining to the impact of the program, specifically highlighting the project milestones achieved and the quantitative and qualitative benefits generated. The project is also evaluated on milestones achieved by the CSR Committee formulated by TMBSL. Independent Third Party Assessments are also conducted for major CSR initiatives of TMBSL at regular intervals.

The CSR committee certifies that the implementation and monitoring of projects and programs as per CSR Policy are in compliance with CSR objectives and policy of the company.

C. P. Gurnani	**Milind Kulkarni**
Chairman – CSR Committee	Director
Mumbai, May 25, 2015	Mumbai, May 25, 2015

ANNEXURE - 3

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1.	**Details of contracts or arrangements or transactions not at arm's length basis: NIL**		
	(a) Name(s) of the related party and nature of relationship:		
	(b) Nature of contracts/arrangements/transactions		
	(c) Duration of the contracts/arrangements/transactions		
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any		
	(e) Justification for entering into such contracts or arrangements or transactions		
	(f) date(s) of approval by the Board		
	(g) Amount paid as advances, if any:		
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188		
2.	**Details of material contracts or arrangement or transactions at arm's length basis**		
		Transaction No 1	**Transaction No 2**
	(a) Name(s) of the related party and nature of relationship :	Tech Mahindra Limited (Holding Company)	Tech Mahindra Foundation (Fellow Subsidiary Company)
	(b) Nature of contracts/arrangements/transactions	Reimbursement of Costs	CSR Contribution
	(c) Duration of the contracts / arrangements/transactions	Feb 15 - March 15	April 14 - March 15
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Reimbursement of Costs paid by TML on our behalf Value - ₹ 61 Million	CSR Contribution as per Companies Act, 2013 Value - ₹ 21.82 Million
	(e) Date(s) of approval by the Board, if any:	12-May-14	29-Jan-15
	(f) Amount paid as advances, if any:	Nil	Nil

For and on behalf of the Board

C.P. Gurnani
Director

Milind Kulkarni
Director

Mumbai, May 25, 2015

ANNEXURE 4

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Tech Mahindra Business Services Limited
SPECTRUM TOWERS,
MINDSPACE COMPLEX
OFF LINK ROAD, MALAD (WEST),
MUMBAI - 400064

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Tech Mahindra Business Services Limited (Hereinafter called "the Company").

Secretarial Audit was conducted for the period from 1st April 2014 to 31st March 2015, in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act, SEBI Regulations and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of the following list of laws and regulations with our observations on the same:

(i) **The Companies Act, 2013 (the Act) and the rules made there under:** The Company has satisfactorily complied with the provisions of the Companies Act 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review.

(ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under:** The Company is an unlisted Company and therefore provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') are not applicable.

(iii) **The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:** The Company is an unlisted Company and the shares of the Company are not in dematerialised mode therefore provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under are not applicable.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

The Company is an unlisted Company and therefore provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. which are mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

a. Information Technology Act, 2000

b. Indian Telegraph Act, 1885

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. These standards are not applicable for the period under review.

(ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited, Mumbai in respect of Debentures Issued by the Company. The same is not applicable as this is an unlisted public limited Company.

We further report that:-

There are adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

The Board of Directors of the Company is duly constituted with proper balance of appointment of Independent Directors and Woman Director as required by Section 149 of the Companies Act, 2013.

Adequate notice is given to all directors about the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. All decisions at Board Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that during the audit period there were no major decisions, specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

FOR JDNASSA & ASSOCIATES
COMPANY SECRETARIES

JAYAVANT BHAVE
FCS No. 4266
CP No. 3068

Place: Mumbai
Date: 25th May 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
TECH MAHINDRA BUSINESS SERVICES LIMITED
(Formerly known as Hutchison Global Services Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of **TECH MAHINDRA BUSINESS SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the Directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
   (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Mumbai
Date: May 25, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business / activities / results during the year, clause (ii) of paragraph 3 of the Order is not applicable to the company.

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The major portions of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(ii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act. Accordingly the provisions of sub clauses (a) and (b) of Clause (iii) of paragraph 3 of the Order are not applicable to the company.

(iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system. There are no purchases of inventories and sale of goods during the year.

(iv) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits. Therefore, the provisions of the clause (v) of paragraph 3 of the Order are not applicable to the Company.

(v) According to the information and explanations given to us, the provisions of the clause (vi) of paragraph 3 of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.

(vi) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015, for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

(₹ in million)

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Financial Year 2007-08	40
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Financial Year 2008-09	315
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Financial Year 2009-10	276
Finance Act, 1994	Service Tax	Commissioner of Service Tax	Financial Year 2007-08 to 2012-13	32
Indian Telegraph Act, 1885	License Fees	Telecom Disputes Settlement and Appellate Tribunal	Financial Year 2007-08 to 2014-15	40

(d) According to the information and explanations given to us, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

(vii) The Company has accumulated profits at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(viii) In our opinion and according to the information and explanations given to us, the Company has no dues to financial institutions, banks and debenture holders.

(ix) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from bank or financial institution, the terms and conditions whereof are prejudicial to the interest of the Company.

(x) According to the information and explanations given to us, the Company did not avail any term loan during the year.

(xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Mumbai
Date: May 25, 2015

Balance Sheet As at March 31, 2015

₹ in Million

		Note No.		As at March 31, 2015	As at March 31, 2014
I.	**EQUITY AND LIABILITIES**				
1	**Shareholders' Funds**				
	(a) Share Capital	3	**10**		10
	(b) Reserves and Surplus	4	**4,643**		3,330
				4,653	
2	**Non-Current Liabilities**				
	Long-Term Provisions	5		**105**	100
3	**Current Liabilities**				
	(a) Trade Payables	6	**466**		464
	(b) Other Current Liabilities	7	**364**		351
	(c) Short-Term Provisions	8	**698**		861
				1,528	
				6,286	5,116
II.	**ASSETS**				
1	**Non-Current Assets**				
	(a) Fixed Assets				
	(i) Tangible Assets	9	**287**		273
	(ii) Intangible Assets	9A	**114**		154
	(iii) Capital Work-in-Progress		**36**	**437**	4
	(b) Deferred Tax Assets (refer note 32)	10	**117**		115
	(c) Long-Term Loans and Advances	11	**693**		524
	(d) Other Non-Current Assets	11A	**274**	**1,084**	-
2	**Current Assets**				
	(a) Current Investments	12	**3,474**		2,395
	(b) Trade Receivables	13	**681**		722
	(c) Cash and Cash Equivalents	14	**390**		650
	(d) Short-Term Loans and Advances	15	**220**		278
	(e) Other Current Assets	16	**0**	**4,765**	1
				6,286	5,116
	See accompanying notes forming part of the financial statements	1 To 35			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner
Pune, Dated: May 25 ,2015

For Tech Mahindra Business Services Limited

C P Gurnani
Director
Mumbai, Dated: May 25 , 2015

Milind Kulkarni
Director

Yogesh Kandalgaonkar
Company Secretary
Mumbai, Dated: May 25 , 2015

Statement of Profit and Loss for the For the year ended March 31, 2015

(₹) in Million except Earnings per share

		Note No	For the year ended March 31, 2015	March 31, 2014
I.	Revenue From Operations (Net)		**7,312**	7,462
II.	Other Income	17	**255**	290
III.	**Total Revenue (I + II)**		**7,567**	7,752
IV.	**Expenses:**			
	Employee Benefits Expense	18	**3,922**	4,689
	Other Expenses	19	**1,484**	1,670
	Depreciation and Amortisation Expense	9 & 9A	**244**	267
	Total Expenses		**5,650**	6,626
V.	**Profit before tax (III-IV)**		**1,917**	1,126
VI.	Tax Expense:			
	(1) Current Tax		**606**	369
	(2) Deferred Tax (refer note 32)		**(2)**	(3)
			604	366
VII.	**Profit after tax (V - VI)**		**1,313**	760
	Earnings per equity share Basic and Diluted [In ₹] [Face Value ₹ 10] - [refer note 28]		**1,313**	760
	See accompanying notes forming part of the financial statements	1 To 35		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner
Pune, Dated: May 25 ,2015

For Tech Mahindra Business Services Limited

C P Gurnani
Director
Mumbai, Dated: May 25 , 2015

Milind Kulkarni
Director

Yogesh Kandalgaonkar
Company Secretary
Mumbai, Dated: May 25 , 2015

CASH FLOW STATEMENT

		(₹) in Million	
		Year ended	
		March 31, 2015	March 31, 2014
A.	**Cash flow from operating activities:**		
	Profit before taxation	**1,917**	1,126
	Adjustments for:		
	Depreciation and Amortization	**244**	267
	Interest Income	**(13)**	(141)
	Dividend Income	**(180)**	(77)
	(Profit)/Loss on Fixed Assets (net)	**(14)**	(1)
	Unrealised foreign exchange loss / (gain) (net)	**(3)**	16
	Net gain on sale of Current Investment	**(4)**	-
	Operating profit before working capital changes	**1,947**	1,190
	Adjustments for changes in working capital:		
	- (Increase)/Decrease in Trade Receivables	**40**	216
	- (Increase)/Decrease in Loans and Advances	**(234)**	3
	- Increase/(Decrease) in Trade and Other Payables	**(90)**	17
	Cash generated from operations	**1,663**	1,426
	- Taxes Paid	**(860)**	(468)
	Net cash flow from / (used in) operating activities (A)	**802**	958
B.	**Cash flow from Investing activities:**		
	Purchase of Fixed Assets (Including Capital Work-in-progress)	**(201)**	(234)
	Purchase of Current Investments	**(6,635)**	(11,841)
	Redemption of Current Investment	**5,740**	11,155
	Proceeds from Sale of fixed assets	**17**	1
	Interest Received	**14**	140
	Net cash flow from / (used in) investing activities (B)	**(1,065)**	(779)
C.	**Cash flow from financing activities:**		
	Proceeds from issue of shares	**-**	-
	Net cash flow / (used in) financing activities (C)	**-**	**-**

D.	**Exchange differences on translation of foreign currency cash and cash equivalents**	**2**	5
	Net Increase /(Decrease) in Cash and Cash Equivalents (A)+(B)+(C)+(D)	**(260)**	184
	Cash and Cash Equivalents at beginning of year	**650**	466
	Cash and Cash Equivalents at end of the period	**390**	650
	Cash and cash equivalents comprise		
	Cash in hand	**0**	0
	Balances with Banks:		
	- Current Accounts	**390**	450
	- Deposits Accounts	**0**	200
	Cash and cash equivalents as per Balance Sheet	**390**	650

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner
Pune, Dated: May 25 ,2015

For Tech Mahindra Business Services Limited

C P Gurnani
Director
Mumbai, Dated: May 25 , 2015

Milind Kulkarni
Director

Yogesh Kandalgaonkar
Company Secretary
Mumbai, Dated: May 25 , 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Significant Accounting Policies and Notes to Accounts

1. **General Information**

Tech Mahindra Business Services Limited (the 'Company') head quartered in Mumbai, Maharashtra, India provides voice based call center services to 'Hutchison 3G UK Limited', 'Vodafone Hutchison Australia Pty Limited' and 'Hutchison 3G Ireland Limited'.

The Company was converted from a Private Limited Company to a Public Limited Company with effect from December 27, 2012 and the name has been changed from Hutchison Global Services Limited to Tech Mahindra Business Services Limited with effect from July 13, 2013.

2. **Significant Accounting Policies**

2.1 Basis of Preparation of financial statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act"), as applicable in accordance with the accounting principles generally accepted in India. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule VI of the Companies Act, 1956. Based on the nature of services and the time between the acquisition of assets for processing and their realisation into 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.

2.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialize in statement of profit and loss.

2.3 Revenue Recognition

Revenue net of provision for customer claims is recognized as per terms of contract when it is earned and no significant uncertainty exists as to its ultimate realization or collection.

2.4 Tangible Assets

a) Tangible Assets are stated at their cost of acquisition, including costs directly attributable to bring the assets to their working condition for the intended use and are net of accumulated depreciation / amortisation. Capital Work in Progress is stated at cost.

b) Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

c) Leasehold improvements are amortised over the primary period of the lease but not exceeding the period of 6 years.

d) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation / amortisation on fixed assets including assets taken on lease, other than freehold land is charged based on straight line method on an estimated useful life as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc:

Asset	**Useful life**
Plant and Machinery	3 - 4 years
Computer Hardware	4 years
Office Equipments	3 - 4 years
Furniture and Fixtures	3 - 6 years
Motor Vehicles	4 years

2.5 Intangible Assets

a) Intangible Assets are stated at their cost of acquisition, including costs directly attributable to bring the assets to their working condition for the intended use and is net of accumulated amortisation. Intangible assets under development are stated at cost.

b) Amortisation of intangible assets is provided on 4 years on a pro-rata basis using Straight-Line basis.

2.6 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of mpairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and

(b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.7 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

2.8 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates as at the transaction dates.

Forward contracts with underlying assets are not intended for trading and speculation purposes. The premium or discount arising on the date of inception being the difference between the forward rate and the exchange rate of a forward contract is recognised as income or expense and is amortised over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which they arise. Any profit/loss arising on cancellation or renewal of the forward contract is recognized as income or expense for the period.

2.9 Other Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Further it includes realised/ unrealised exchange gain/losses.

Dividend income is recognised when the Company's right to receive dividend is established.

2.10 Employee Benefits

a) **Defined Contribution Plans**

The Company contributes on a defined contribution basis to 'Employee's Provident Fund' and 'Employee's State Insurance Fund' towards post-employment benefits, all of which are administered by the respective Government authorities. The Company has no further obligation beyond making its contribution, which is expensed in the period to which it pertains.

b) **Defined Benefit Plans**

The Company has a defined benefit plan, namely Gratuity, for all its employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary as at the Balance Sheet date, which is calculated using the projected unit credit method.

Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the statement of Profit and Loss.

c) **Compensated absences:**

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilised leave balances is provided based on an actuarial valuation carried out by an independent actuary using the projected unit credit method as at the Balance Sheet date and charged to the Statement of Profit and Loss. Leave balances to be utilised in short term are provided for on the basis of cost to Company and charged to the Statement Profit and Loss.

2.11 Leases

Operating lease

Lease arrangements under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rental under operating lease are recognised in the Statement of Profit and Loss on straight line basis over the lease term.

2.12 Taxation

a) **Current Tax**

Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries. Income tax payable in India is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income tax is recognised as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of 10 succeeding assessment years.

b) **Deferred Tax**

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realization.

2.13 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

Note 3: Share Capital

	As at March 31, 2015		As at March 31, 2014	
	Number	**(₹) In Million**	Number	(₹) In Million
Authorised				
67,650,000 (March 31, 2014: 67,650,000) Equity Shares of ₹ 10 each	**67,650,000**	**677**	67,650,000	677
	67,650,000	**677**	67,650,000	677
Issued, Subscribed & Paid up				
1,000,000 (March 31, 2014: 1,000,000) Equity Shares of ₹10 each	**1,000,000**	**10**	1,000,000	10
(Out of the above 950,000 Equity shares, fully paid up have been issued in the year ended March 31, 2014 as bonus shares by capitalisation of Capital Redemption Reserve)				
	1,000,000	**10**	1,000,000	10

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Equity Shares:

Particulars	March 31, 2015		March 31, 2014	
	Number	(₹)	Number	(₹)
Shares outstanding at the beginning of the year	**1,000,000**	**10,000,000**	50,000	500,000
Shares issued during the year	**-**	**-**		-
Bonus shares issued during the year	**-**	**-**	950,000	9,500,000
Shares outstanding at the end of the year	**1,000,000**	**10,000,000**	1,000,000	10,000,000

b. Rights, Preferences and restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding

c. Shares held by holding company and their associates

	As at March 31, 2015 (₹) in million	As at March 31, 2014 (₹) in million
Equity Shares :		
Tech Mahindra Limited, the holding company		
999,994 (March 31, 2014: 999,994) Equity shares of ₹10 each fully paid	**10**	10
Tech Mahindra Limited j/w Vishwanath Kini		
1 (March 31, 2014: 1) Equity shares of ₹ each fully paid	**0**	0
Tech Mahindra Limited j/w Atanu Sarkar		
1 (March 31, 2014: 1) Equity shares of ₹.10 each fully paid	**0**	0
Tech Mahindra Limited j/w Manoj Bhat		
1 (March 31, 2014: 1) Equity shares of ₹10 each fully paid	**0**	0
Tech Mahindra Limited j/w Manoj Joshi		
1 (March 31, 2014: 1) Equity shares of ₹10 each fully paid	**0**	0
Tech Mahindra Limited j/w Aniruddha Gadre		
1 (March 31, 2014: 1) Equity shares of ₹10 each fully paid	**0**	0
Tech Mahindra Limited j/w Anil Khatri		
1 (March 31, 2014: 1) Equity shares of ₹.10 each fully paid	**0**	0

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity shares	As at March 31, 2015 No.	As at March 31, 2015 % holding in the class	As at March 31, 2014 No.	As at March 31, 2014 % holding in the class
Tech Mahindra Limited, the holding company (including jointly held shares)	**1,000,000**	**100%**	1,000,000	100%
	1,000,000	**100%**	1,000,000	100%

Note 4: Reserves and Surplus

(₹) **in Million**

	As at March 31, 2015	As at March 31, 2014
Capital Redemption Reserve		
Opening Balance	**666**	676
Add: Transfer from Surplus in Statement of Profit and Loss	**-**	-
Less: Utilised for issue of bonus shares		10
Closing Balance	**666**	666
Surplus in Statement of Profit and loss		
Opening Balance	**2,664**	1,904
Add: Net Profit for the year	**1,313**	760
Closing Balance	**3,977**	2,664
	4,643	3,330

Note 5: Long-Term Provisions

(₹) **in Million**

	As at March 31, 2015	As at March 31, 2014
Provision for Employee Benefits		
- Gratuity [refer note 22]	**64**	63
- Compensated Absences	**41**	37
	105	100

Note 6: Trade Payables

(₹) **in Million**

	As at March 31, 2015	As at March 31, 2014
Trade Payable other than accrued salaries and benefits	**281**	225
Accrued Salary and Benefits	**185**	239
	466	464

Note 7: Other Current Liabilities

(₹) **in Million**

	As at March 31, 2015	As at March 31, 2014
Customer Payables	**217**	249
Capital Creditors	**66**	17
Statutory Remittances	**75**	84
Others	**6**	1
	364	351

Note 8: Short-Term Provisions

(₹) in Million

	As at March 31, 2015	As at March 31, 2014
Provision for Employee Benefits		
- Gratuity [refer note 22]	**31**	29
- Compensated Absences	**33**	47
Provision for Customer Claims [refer note 33]	**-**	52
Provision for Income Tax (Net of Taxes paid)	**634**	733
	698	861

Note 9 : Tangible Assets

(₹) in Million

		Gross Block				Accumulated Depreciation / Amortisation				Net Block	
		Cost as at April 01, 2014	Additions during the year	Deletions during the year	As at March 31, 2015	As at April 01, 2014	For the year	Deductions during the year	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
a	**Tangible Assets**										
	Plant and Machinery	204	31	37	198	176	23	36	163	35	28
	(Previous year)	202	6	4	204	149	31	4	176		
	Computers Hardware	710	119	60	769	547	99	60	586	183	163
	(Previous year)	601	117	8	710	466	89	8	547		
	Office Equipments	93	1	12	82	74	13	11	76	6	19
	(Previous year)	94	-	1	93	58	17	1	74		
	Furniture and Fixtures	110	3	18	95	84	14	18	80	15	26
	(Previous year)	102	8	0	110	69	15	0	84		
	Leasehold Improvement	231	34	31	234	195	23	31	187	47	36
	(Previous year)	257	20	46	231	207	34	46	195		
	Motor Vehicles	5	2	4	3	4	1	3	2	1	1
	(Previous year)	6	3	4	5	4	2	2	4		
	Total	1,353	190	162	1,381	1,080	173	159	1,094	287	273
	Previous year	1,262	154	63	1,353	953	188	61	1,080	273	

Note 9A : Intangible Assets

(₹) in Million

		Gross Block				Accumulated Depreciation / Amortisation				Net Block	
		Cost as at April 01, 2014	Additions during the year	Deletions during the year	As at March 31, 2015	As at April 01, 2014	For the year	Deductions during the year	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
b	**Intangible Assets**										
	(other than internally generated)										
	Trademarks	32	-	-	32	32	-	-	32	-	-
	(Previous year)	32	-	-	32	32	-	-	32		
	Goodwill	2	-	-	2	2	-	-	2	-	-
	(Previous year)	2	-	-	2	2	-	-	2		
	Computer software	541	31	-	572	387	71	0	458	114	154
	(Previous year)	419	122	-	541	309	78	-	387		
	Total	575	31	-	606	421	71	0	492	114	154
	Previous year	453	122	-	575	343	78	-	421	154	

Note 10: Deferred Tax Asset

(₹) in Million

	As at March 31, 2015	As at March 31, 2014
Deferred Tax Assets [refer note 32]		
arising on account of timing differences on :		
- Depreciation	**59**	55
- Gratuity and Leave Encashment	**58**	60
	117	115

Note 11: Long-Term Loans and Advances

	(₹) in Million	
	As at	
	March 31, 2015	March 31, 2014
(Unsecured, Considered Good unless otherwise stated)		
Capital Advances	**-**	3
Balances with Government Authorities*	**82**	42
Security Deposits	**173**	196
Advance Income Tax (Net of Provision)	**438**	283
	693	524

*This amount pertains to Service Tax refunds claimed by company and rejected by Assistant Commissioner of Service Tax against which company has gone into Appeal before Commissioner of Appeal. The company believes that the outcome of the same would be in the company's favour.

Note 11A: Other Non-Current Assets

	(₹) in Million	
	As at	
	March 31, 2015	March 31, 2014
Unbilled Revenue	**274**	-
	274	-

Note 12 : Current Investments

	(₹) in Million	
	As at	
	March 31, 2015	March 31, 2014
Unquoted - at Cost		
Investment in Mutual Funds		
7,776,331 (As at March 31,2014: Nil) units of ₹ **100.30** (As at March 31,2014: ₹ Nil) each fully paid up of Birla Sun Life Savings Fund - Direct Plan	**780**	-
Nil (As at March 31,2014: 3,605,548.12) units of ₹ **Nil** (As at March 31,2014: ₹ 205.49) each fully paid up of Birla Sun Life Cash Plus-DailyDividend-DirectPlan-Growth	**-**	741
10,000,000 (As at March 31,2014: 10,000,000) units of ₹ 10 (As at March 31,2014: ₹ 10) each fully paid up of Birla Sun Life -Fixed Term Plan-Series KJ (400 days) – Direct	**100**	100
Nil (As at March 31,2014: 58,659.56) units of ₹ **Nil** (As at March 31,2014: Rs 2,366.82) each fully paid up of Tata -Liquid Fund Direct Plan Daily Dividend-Growth- Mumbai	**-**	139
10,000,000 (As at March 31,2014: 10,000,000) units of ₹ **10** (As at March 31,2014: ₹ 10) each fully paid up of Tata Fixed Maturity Plan Series 46 Scheme N -Direct Plan - Growth	**100**	100
Nil (As at March 31,2014: 64,183.15) units of ₹ **Nil** (As at March 31,2014: ₹1435.65) each fully paid up of UTI Money Market Fund Direct Plan -Growth	**-**	92
469,541(As at March 31,2014: Nil) units of ₹ **1926.81** (As at March 31, 2014: Rs Nil) each fully paid up Reliance-MoneyManager-Growth-Direct.	**905**	-
431 (As at March 31,2014: 177,037.65) units of ₹ **1528.74** (As at March 31,2014: ₹ 3123.67) each fully paid up Reliance-Liquid fund-Treasury Plan-Direct -Growth	**1**	553
10,000,000 (As at March 31,2014: 10,000,000) units of ₹ **10** (As at March 31,2014: ₹ 10) each fully paid up Reliance Fixed Horizon Fund - XXV - Series 27 - Direct Plan Growth Plan	**100**	100
6,052,164 (As at March 31,2014 : Nil) units of ₹ **105.74** (As at March 31,2014: Rs Nil) each fully paid up ICICI Prudential Flexible Income – Growth- Direct.	**640**	-
81,261 (As at March 31,2014: 24,77,322.13) units of ₹ **100.06** (As at March 31,2014: ₹ 189.66) each fully paid up of ICICI Prudential Liquid - Direct Plan-Growth	**8**	470
10,000,000 (As at March 31,2014: 10,000,000) units of ₹ **10** (As at March 31,2014: ₹ 10) each fully paid up of ICICI Prudential FMP Series 73 - 407 days Plan C Direct Plan	**100**	100
73,267,402 (As at March 31,2014:Nil) units of ₹ **10.11** (As at March 31,2014: Rs Nil) each fully paid ICICI Prudential Ultra Short Term – Growth- Direct	**740**	-
	3,474	2,395

	(₹) in Million	
	As at	
	March 31, 2015	March 31, 2014
Aggregate amount of quoted investments	**-**	-
Aggregate amount of unquoted investments	**3,474**	2,395
Aggregate amount of provision for diminution in value of investments	**-**	-
	3,474	2,395

Note 13: Trade Receivables

	(₹) in Million	
	As at	
	March 31, 2015	March 31, 2014
(Unsecured, Considered Good unless otherwise stated)		
Trade Receivables		
(a) Due over six months		
(i) Considered Good	**-**	-
(ii) Considered Doubtful	**-**	-
(b) Others		
(i) Considered Good	**681**	722
(ii) Considered Doubtful	**-**	-
	681	722
Less: Provision for Doubtful Debts	**-**	-
	681	722

Note 14: Cash and Cash Equivalents

	(₹) in Million	
	As at	
	March 31, 2015	March 31, 2014
(a) Cash on Hand	**0**	0
(b) Balances with Banks		
(i) In Current Accounts	**390**	450
(ii) In Deposit Accounts	**0**	200
[net of book overdraft of ₹ **0 million** (As at March 31, 2014: ₹ 4 million) in the linked current account with fixed deposits]		
	390	650

Note 15: Short-Term Loans and Advances

	(₹) in Million	
	As at	
	March 31, 2015	March 31, 2014
(Unsecured, Considered Good unless otherwise stated)		
Security Deposits	**13**	23
Balances with Government Authorities	**148**	195
Prepaid Expenses	**25**	43
Loans and Advances to Employees	**15**	3
Others	**19**	14
	220	278

Note 16: Other Current Assets

	(₹) in Million	
	As at	
	March 31, 2015	March 31, 2014
Interest Accrued on Deposits	**0**	1
	0	1

Note 17: Other Income

		(₹) in Million	
		For the year ended	
		March 31, 2015	March 31, 2014
(a)	Interest on:		
	Deposit with Banks	**13**	15
	Inter Corporate Deposits	**-**	126
		13	141
(b)	Dividend received on Current Investments	**180**	77
(c)	Gain on Sale of Current Investment	**4**	-
(d)	Profit on Sale of Fixed Assets (net)	**14**	1
(e)	Foreign Exchange (loss) / gain - Net	**17**	47
(f)	Sundry Balances Written Back	**14**	8
(g)	Miscellaneous Income	**13**	16
		255	290

Note 18: Employee Benefits Expense

		(₹) in Million	
		For the year ended	
		March 31, 2015	March 31, 2014
(a)	Salaries and Incentives	**3,677**	4,426
(b)	Contribution to Provident and Other Funds [refer note 22]	**80**	94
(c)	Gratuity [refer note 22]	**28**	23
(d)	Staff Welfare Expenses	**137**	146
		3,922	4,689

Note 19: Other Expenses

	(₹) in Million	
	For the year ended	
	March 31, 2015	March 31, 2014
Network Costs	**108**	136
Rent		
- Leased Premises	**406**	486
Power and Fuel	**155**	176
Repairs and Maintenance		
- Plant and Machinery	**209**	199
- Leased Premises	**33**	20
Recruitment Expenses	**36**	52
Training	**18**	25
Travelling Expenses	**54**	35
Hire Charges	**299**	315
Communication	**12**	12
Advertising,Marketing and Selling Expenses	**6**	9
Professional and Legal Fees	**42**	43
Insurance	**41**	48
Claims and Warranties (refer note 33)	**(30)**	34
General Office Expenses	**72**	79
Corporate Social Responsibility	**22**	-
Miscellaneous Expenses	**1**	1
	1,484	1,670

20. Capital commitments and Contingent Liabilities

i. **Capital commitments**

Estimated amount of contracts remaining to be executed on capital account (net of capital advances), and not provided for as at March 31, 2015 ₹ **42 million** (March 31, 2014: ₹ 64 million) for Tangible Assets and ₹ **Nil** (March 31, 2014: ₹ 3 million) for Intangible Assets.

Contingent liabilities

ii. **Income Tax matters**

Assessment Year 2008-09

The assessing officer had passed a draft assessment order making adjustments of ₹ **427 million** mainly on account of transfer pricing adjustments and had raised a demand of ₹ **180 million** during the year ended March 31, 2012. The Company had filed an objection against the said order with the Dispute Resolution Panel (DRP). Accordingly, the Company had provided an amount of ₹ **54 million** in previous year ended March 31, 2012 [Refer Note. 21]. DRP had passed an order on September 25, 2012 and ordered the TPO/AO to verify the computations made by the assessee and rectify the figures wherever necessary. In response to the order of DRP, AO had passed the final order on November 30, 2012 making additional adjustments of ₹ **210** million mainly on account of transfer pricing adjustments and had raised a demand of ₹ **80** million. The Company had filed an appeal against the order of AO to Income Tax Appellate Tribunal, Mumbai.

Against the order of AO demanding ₹ **80 million**, company got the stay order from Honourable Income Tax Appellate Tribunal till November 30, 2013 subject to condition that 50% of the demand amount has to be paid before October 9, 2013. Company has paid ₹ **40 million** demand upto 9th October 2013. The additional commissioner of income tax has rejected the application for stay of demand granted earlier. The company has filed the stay of demand request to commissioner of income tax till the appeal is decided by the Honourable Income Tax Appellate Tribunal. The Income Tax Appellate Tribunal hearing is scheduled on June 11, 2015.

Assessment Year 2009-10

The assessing officer had passed a draft assessment order making adjustments of ₹ **1,057 million** mainly on account of transfer pricing adjustments. The Company had filed an objection against the said draft assessment order with Dispute Resolution Panel (DRP). DRP had passed an order on December 19, 2013 and had ordered AO to complete the assessment order in accordance with DRP directions. . In response to the order of DRP, AO had passed the final order on January 30, 2014 making additional adjustments of ₹ **394** million mainly on account of transfer pricing adjustments and had raised a demand of ₹ **498** million. The Company had filed an appeal against the order of AO to Income Tax Appellate Tribunal, Mumbai.

Against the order of AO demanding ₹ **498** million, the company got the stay order from Honourable Income Tax Appellate Tribunal till September 30, 2014 subject to condition that ₹ **90** million of the total demand has to be paid before September 30, 2014. The Company has paid ₹ **82.50** million till August 31, 2014. Subsequently the additional Commissioner of Income tax has rejected the application for stay of demand granted earlier and ordered to pay ₹ **100** million against the outstanding demand. The Company has paid ₹ **100** million on March 25, 2015. The company has filed stay of demand request to commissioner of income tax till the appeal is decided by the Honourable Income Tax Appellate Tribunal. The Income Tax Appellate Tribunal hearing is scheduled on May 20, 2015.

Assessment Year 2010-11

The assessing officer had passed a draft assessment order making adjustments of ₹ **1,305 million** mainly on account of transfer pricing adjustments. The Company had filed an objection against the said draft assessment order with Dispute Resolution Panel (DRP) on March 25, 2014. DRP had passed an order on November 14th 2014 and had ordered AO to complete the assessment order in accordance with DRP directions. In response to the order of DRP, AO had passed the final order on December 30th, 2014 making additional adjustments of ₹ **1,347** million mainly on account of transfer pricing adjustments and had raised a demand of ₹ **383** million. The Company has paid ₹ **100** million till March 31, 2015 against the said order under protest. The Company has filed an appeal against the order of AO to Income Tax Appellate Tribunal, Mumbai.

Assessment Year 2011-12

The assessing officer had passed a draft assessment order making adjustments of ₹ **1,024 million** mainly on account of transfer pricing adjustments. The Company is in process of filing an objection against the said draft assessment order with Dispute Resolution Panel (DRP).

iii. **Service Tax**

The Company has received show cause cum demand notice from Commissioner of Service Tax for non-payment of service tax ₹ **32 million** for receiving import services (reverse charge basis) for the period 2007-08 to 2012-13. The company has filed the reply to show cause notice on March 27, 2014.

iv. **Department of Telecommunications (DOT)**

DOT has raised a demand on the company for an amount of ₹ **61** Million in July 2014 claiming that the company has availed services of bandwidth link between two of its premises from other than authorized service providers. The company filed an appeal to the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) against the said demand order. The Company has paid ₹ **21** Million against the said order under protest and accounted the same under Balances with Government Authorities under Long-Term Loans and Advances.

v. **Bank Guarantees**

Bank Guarantees given by a bank to custom authority on behalf of the Company ₹ **1 million** (March 31, 2014: ₹ 6 million)

21. The Company charges its customers a margin of 15% on operating costs & these customers were associated enterprises until the Company's entire shareholding was bought by Tech Mahindra Limited on September 4, 2012. The Assessing Officer while passing draft order for AY 2008 09 in December 2011 determined arm's length margin of 32.33% & proposed consequent adjustments. The Company out of an abundant caution decided to make the tax provision in respect of potential transfer pricing disputes for Assessment Year 2008–09 to Assessment Year 2012-13 in the previous year ending March 31, 2012. The said provision had been made on the basis of an arm's length margin of 24%, which is at the higher end of the arm's length band agreed in the MAP (Mutual Agreement Procedure) cases, along with interest though the company is confident of successfully defending transfer pricing methodology of cost plus 15%.

Post the purchase of the entire shareholding of the Company by Tech Mahindra Limited, the customers are not associated enterprises and the transfer pricing regulations are not applicable to the company.

22. **Employee Benefits**

i. **Defined Contribution Plan**

Contribution to Defined Contribution Plans recognised as expenses for the year ended are as under:

Amount in (₹) Million

Particulars	**For year ended March 31, 2015**	For year ended March 31, 2014
Employer's Contribution to Provident Fund	**80**	94
Employer's Contribution to Employee's State Insurance	**0**	0

ii. **Defined Benefit Plan unfunded (Gratuity)**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation for leave encashment is recognised in the same manner as gratuity.

a) **Change in Benefit Obligation**

Amount in (₹) Million

Particulars	**For year ended March 31, 2015**	For year ended March 31, 2014
Defined benefit obligation at the beginning of the year	**92**	103
Interest cost	**7**	7
Current Service Cost	**13**	14
Benefit Paid	**25**	34
Actuarial (Gain)/ loss	**8**	2
Projected benefit obligation, at the end of the year	**95**	92

b) **Components of expenses recognized in the Statement of Profit and Loss for the year ended March 31, 2015:**

Amount in (₹) Million

Particulars	**For year ended March 31, 2015**	For year ended March 31, 2014
Interest cost	**7**	7
Service cost	**13**	14
Actuarial (Gain)/Loss	**8**	2
Total	**28**	23

c) **Experience Adjustments**

Amount in (₹) Million

Particulars	**March 31, 2015**	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined Benefit Obligation at the end of the period	**(95)**	(92)	(103)	(68)	NA
Plan Assets at the end of the period		-	-	-	NA
Surplus / (Deficit)	**(95)**	(92)	(103)	(68)	NA
Experience Adjustment On Plan liability gain / (Loss)	**(6)**	(3)	(27)	16	3
Experience Adjustment On Plan Assets		-	-	-	NA
Actuarial Gain / (Loss) due to change on assumption	**(3)**	2	(3)	-	NA

d) **Actuarial Assumptions**

Particulars	**March 31, 2015**	March 31, 2014
Discount Rate (per annum)	**7.8%**	8.70 %
Salary Escalation Rate (per annum)	**7%**	7 %
Attrition Rate	**0% to 55%**	0% to 55%
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ult**	Indian Assured Lives Mortality (2006-08) Ult

The estimates of future salary escalations considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

23. **Payment to auditors (net of service tax)**

Amount in (₹) Million

Particulars	**For year ended March 31, 2015**	For year ended March 31, 2014
Audit Fees	**4**	3
For other services	**0**	1
For taxation matters	**-**	-
For reimbursement of expenses	**-**	-
Total	**4**	4

24. **Value of imports calculated on C.I.F. basis in respect of:**

Amount in (₹) Million

Particulars	**For year ended March 31, 2015**	For year ended March 31, 2014
Capital Goods	**49**	157

25. **Expenditure in Foreign Currency:**

Amount in (₹) Million

Particulars	**For year ended March 31, 2015**	For year ended March 31, 2014
Travelling and Conveyance	**33**	16
Employee Benefits	**29**	-
Professional Fees	**6**	-
Rent	**6**	-
Repair & Maintenance	**7**	-
Computer Hardware	**47**	-
Software Licenses	**12**	46
Furniture & Fixtures Equipments	**1**	-
Plant & Machinery	**3**	-
Others	**11**	0
Total	**155**	62

26. **Earnings in Foreign Currency:**

Amount in (₹) Million

Particulars	**For year ended March 31, 2015**	For year ended March 31, 2014
Income from Operations	**7,312**	7,462

27. **Foreign currency exposures that have not been hedged by any derivative instrument or otherwise**

Amount in (₹) Million

Particulars	**Foreign Currency Amount**		**Indian Rupees Equivalent**	
	As at March 31, 2015	As at March 31, 2014	**As at March 31, 2015**	As at March 31, 2014
Trade Payable	**USD 0**	0	**5**	7
Trade Payable	**EUR 1**	-	**59**	-
Trade Receivables	**AUD 2**	AUD 3	**103**	139
Trade Receivables	**EUR 1**	EUR 0	**70**	30
Trade Receivables	**GBP 4**	GBP 4	**346**	409

28. **Earnings Per Share is calculated as follows:**

₹ in Million except earnings per share

Particulars	**Year ended March 31, 2015**	Year ended March 31, 2014
Net Profit / (Loss) attributable to shareholders	**1,313**	760
Equity Shares outstanding as at the end of the year (in nos.)	**1,000,000**	1,000,000
Weighted average Equity Shares outstanding as at the end of year (in nos.)	**1,000,000**	1,000,000
Weighted average number of Equity Shares used as denominator for calculating Basic Earnings Per Share	**1,000,000**	1,000,000
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	**1,000,000**	1,000,000
Nominal Value per Equity Share (in ₹)	**10.00**	10.00
Earnings / (Loss) Per Share		
Earnings Per Share (Basic) (in ₹)	**1,313**	760
Earnings Per Share (Diluted) (in ₹)	**1,313**	760

29. **Segment Reporting**

Primary Segment:

The Company is engaged in the business of providing voice based call center services. As the Company is engaged in only one business segment, the Balance Sheet as at March 31, 2015 and Statement of Profit and Loss for the year pertain to only one business segment.

Secondary Segment: Based on the geographical location the Revenue is as under:

Amount in (₹) Million

Sr. No	Particulars	Within India	Outside India	Total
1	Segment revenue by location of customers	- [-]*	7,312 [7,462]*	7,312 [7,462]*
2	Carrying amount of segment asset (Gross)	5,254 [4,394]*	1,032 [722]*	6,286 [5116]*
3	Additions to tangible and intangible assets	162 [276]*	59 [-]*	221 [276]*

* Figures in bracket refer to balances as at March 31, 2014.

30. **Related Party Disclosures**

As required under Accounting Standard 18 “Related Party Disclosures” (AS – 18), following are details of transactions during the period with the related parties of the Company as defined in AS – 18:

Names of related parties and nature of relationship:

Sr.No	Relationship	Name of Related Party
Parties where control exists		
1.	Holding Company	Tech Mahindra Limited
Section 8 Company		
2.	Fellow Subsidiary Company	Tech Mahindra Foundation

Related Party transactions for the year ended March 31, 2015

Amount in (₹) Million

Nature of Transactions	Name of the Party	Year ended March 31, 2015	Year ended March 31, 2014
Inter Corporate Deposit Given	Tech Mahindra Limited	**-**	1,600
Inter Corporate Deposit received back	Tech Mahindra Limited	**-**	1,600
Interest Income	Tech Mahindra Limited	**-**	126
Purchase of Fixed Assets	Tech Mahindra Limited	**59**	-
Reimbursement of expenses- Payable	Tech Mahindra Limited	**2**	-
Donation	Tech Mahindra Foundation	**22**	-

Related Party Balances as at March 31, 2015

Amount in (₹) Million

Balances As on	Name of the Party	As at March 31, 2015	As at March 31, 2014
Capital creditors	Tech Mahindra Limited	**59**	0

31. **Operating Lease**

i. **Premises**

The Company’s significant leasing arrangements are in respect of office/ residential premises taken on leave and license basis. The aggregate lease rentals incurred are charged to the Statement of Profit and Loss as Rent under note 19 - Operating and other expenses.

The leasing arrangement, which is cancellable, ranges for a period up to nine years and is renewable by mutual consent on mutually agreeable terms. Under this arrangement, refundable interest free deposit has been given aggregating ₹ **181 million** (March 31, 2014: ₹ 215 million).

The lease rentals recognized in the Statement of Profit and Loss for the year ended March 31, 2015 are ₹ **406 million** (year ended March 31, 2014: 486 million)

Future minimum lease payments under non-cancellable agreements are as follows

Amount in (₹) Million

Particulars	**As at March 31, 2015**	As at March 31, 2014
(a) Not later than one year	**113**	123
(b) Later than one year and not later than five years	**-**	113
(c) More than 5 years	**-**	-

32. The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Amount in (₹) Million

Particulars	**As at March 31, 2015**	As at March 31, 2014
Gratuity and Leave Encashment	**58**	60
Depreciation	**59**	55
Total Deferred Tax Asset	**117**	115

33. The company makes provision for Claims and Warranties on a need basis. The details of provision for claims and warranties are as follows:

Particulars	**For the year March 31, 2015**	For the year March 31, 2014
Opening balance	52	-
Provision / (Reversal) made during the year	**(30)**	78
Paid during the year	**(22)**	(26)
Closing balance	**-**	52

Note:

Provision for claims / warranties is estimated and made based on technical estimates of the management and is expected to be settled over the period of next one year.

34. Based on the information available with the Company, no creditors have been identified as “supplier” within the meaning of “Micro, Small and Medium Enterprises Development (MSMED) Act, 2006”.

35. The previous year figures have been reclassified to conform to this year’s classification.

Signatures to Notes

For Tech Mahindra Business Services Limited

C.P. Gurnani
Director

Milind Kulkarni
Director

Yogesh Kandalgaonkar
Company Secretary

Mumbai, Dated: May 25 , 2015

TECH MAHINDRA TECHNOLOGIES INC.

Board of Directors

Mr. Rakesh Soni

Mr. Hari T

Mr. Arvind Malhotra

Registered Office

1220 N., Market Street,

806, Wilmington 19801,

Delaware

Bankers

HSBC Bank

Auditors

Chugh LLP, USA

California

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2015

For the year ended March 31,	**2015 US$**	2014 US$
Income	**12,674,753**	13,714,920
Profit/(Loss) before tax	**276,707**	387,095
Profit/(Loss) after tax	**177,279**	248,219

Review of Operations:

During the year under review, your company recorded an income of US$ 12,674,753 a decrease of 8% over the previous year. Profit after tax for the current year was US$ 177,279 as against US$ 248,219 compared to the previous year.

Outlook for the current year:

Business has been encouraging in US and the Company is cautiously optimistic of the future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Rakesh Soni

Director

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of Tech Mahindra Technologies Inc.

We have audited the accompanying financial statements of Tech Mahindra Technologies Inc., a Delaware corporation, which comprise the balance sheets as of March 31, 2015 and 2014 and the related statements of income, stockholder's equity, and cash flows for the years ended March 31, 2015 and 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra Technologies Inc. as of March 31, 2015 and 2014, and the results of its operations and its cash flows for the years ended March 31, 2015 and 2014, in accordance with accounting principles generally accepted in the United States of America.

Chugh LLP

Cerritos, California

April 20, 2015

BALANCE SHEETS MARCH 31, 2015 AND 2014

	2015 $	2014 $
ASSETS		
CURRENT ASSETS		
Cash and cash in bank	**751,478**	543,091
Receivable from related party	**339,267**	687,685
Accounts receivable	**2,745,455**	2,739,782
Prepaid expenses and other current assets	**31,228**	15,821
Deferred tax asset	**74,365**	159,913
TOTAL ASSETS	**3,941,792**	4,146,292
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable to related party	**2,693,074**	2,964,614
Accounts payable	**-**	62,993
Accrued expenses and other current liabilities	**286,988**	333,311
Deferred tax liability	**2,896**	3,816
TOTAL CURRENT LIABILITIES	**2,982,958**	3,364,734
STOCKHOLDER'S EQUITY		
Common stock, $ 0.01 par value (1,000,000 shares authorized; 100,000 shares issued and outstanding)	**1,000**	1,000
Additional paid- in-capital	**999,000**	999,000
Accumulated deficit	**(41,166)**	(218,444)
TOTAL STOCKHOLDER'S EQUITY	**958,834**	781,556
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**3,941,792**	4,146,292

See independent auditors' report and accompanying notes to financial statements.

STATEMENTS OF INCOME FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	2015 $	2014 $
REVENUE	**12,674,753**	13,714,920
COST OF REVENUE	**(12,212,263)**	(13,137,708)
GROSS PROFIT	**462,490**	577,212
OPERATING EXPENSES		
Selling, general and administrative expenses	**(185,783)**	(225,192)
INCOME (LOSS) FROM OPERATIONS	**276,707**	352,019
OTHER INCOME		
Miscellaneous income	**-**	35,076
INCOME (LOSS) BEFORE INCOME TAX PROVISION	**276,707**	387,095
PROVISION FOR INCOME TAX		
Income tax - current	**14,800**	4,022
Income tax - deferred	**84,629**	134,854
NET INCOME (LOSS)	**177,279**	248,219

See independent auditors’ report and accompanying notes to financial statements.

STATEMENTS OF STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED MARCH 31, 2015

	Common Stock				
	Shares	Amount $	Additional Paid In Capital $	Accumulated Deficit $	Total Stockholder's Equity $
Balance at March 31, 2013	100000	1,000	999,000	(466,663)	533,337
Net Income				248,219	248,219
Balance at March 31, 2014	100000	1,000	999,000	(218,444)	781,556
Net Income				177,279	177,279
Balance at March 31, 2015	**100000**	**1,000**	**999,000**	**(41,166)**	**958,834**

See independent auditors' report and accompanying notes to financial statements.

Statements of Cash Flows
For the years ended March 31, 2015 and 2014

	2015	2014
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**177,279**	248,219
Adjustments to reconcile net income to net cash		
provided by operating activities:		
Deferred tax	**84,628**	134,854
(Increase) decrease in assets:		
Accounts receivable (related and non related)	**342,745**	(420,243)
Prepaid expenses and other current assets	**(15,407)**	28,887
Increase (decrease) in liabilities:		
Accounts payable (related and non related)	**(334,533)**	234,069
Accrued expenses and other current liabilities	**(46,323)**	(134,082)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**208,388**	91,705
Net increase in Cash and cash in bank	**208,388**	91,705
Cash and cash in bank, beginning of year	**543,091**	451,386
Cash and cash in bank, end of period	**751,478**	543,091
Supplementary disclosures:		
Income taxes paid	**8,358**	12,080

See independent auditors' report and accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2015 AND 2014

1. Nature of Operations

Tech Mahindra Technologies Inc. the “Company” was incorporated as a Delaware corporation on September 28, 2000. The Company was formed to provide software development, professional engineering and information services. The Company is now a wholly owned subsidiary of Tech Mahindra Limited (the parent company). During 2014, the Company changed its name from Satyam Technologies Inc. to Tech Mahindra Technologies Inc.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of Tech Mahindra Technologies Inc. is presented to assist in understanding the Company’s financial statements.

Basis of Accounting

The Company uses the accrual method of accounting for both financial and income tax reporting.

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as detailed in the Financial Accounting Standards Board’s Accounting Standards Codification.

Accounts Receivable

The Company carries it accounts receivable at cost less an allowance for doubtful accounts. Allowance for doubtful accounts is maintained with respect to accounts determined to be uncollectible in the current period. Management determines the allowance for doubtful accounts based upon historical experience and assessment of the collectability of existing specific accounts. Accounts are written off against the allowance when they are deemed uncollectible. At March 31, 2015, the Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. As at March 31, 2015 and 2014, there were no cash equivalents.

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Company accounts for income taxes in accordance with the FASB ASC 740 (formerly SFAS No. 109, “*Accounting for Income Taxes*”), which requires an asset and liability approach to financial accounting and reporting of income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized

Financial Accounting Standards Board issued FIN 48 now known as ASC No. 740–10 “*Accounting for Uncertainty in Income Taxes”*. Beginning April 1, 2008, the Company adopted FIN 48, thereafter, recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

The Company may be subject to potential examination by various taxing authorities. The Company’s open audit periods are 2011-2014. In evaluating the Company’s tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company earns revenue from software development and consulting services. Revenue from software development and consulting services is recognized on time and material basis, provided that no uncertainties regarding customer acceptance exist and collection of the related receivable is probable.

3. **Concentration of Risks and Significant Customers and Subcontractors**

In the normal course of business, the Company maintains its cash balances in a financial institution, which at times may exceed federally insured limits. The Company has not experienced any losses in such account and believes it is not subject to any significant credit risk as all its deposits are maintained in a high quality financial institution.

The Company operates in the computer industry. The fluctuations in information technology spending caused by market conditions or availability of qualified personnel to complete the projects may have significant effect on the profitability of the Company.

Major Customers

Accounts receivable balances are typically unsecured and are derived from revenues earned from customers. For years ended March 31, 2015 and 2014, the Company had one major customer which accounted for 67% and 53%, respectively, of revenue and 89% and 79%, respectively, of Accounts receivable.

Major Subcontractors

For the years ended March 31, 2015 and 2014, the Company had one major supplier which is related party described in Note 5 Related Party transactions. This supplier represents approximately 100% and 99%, respectively, of cost of revenue and accounts payable for both periods.

4. **Income Taxes**

Deferred tax assets and liability consist of the following as of March 31, 2015 and 2014:

	2015	2014
	$	$
Deferred Tax Assets:		
Net operating Loss Carryover	**16,999**	89,102
Others	**57,366**	70,812
Total Deferred tax Assets	**74,365**	159,914
Deferred Tax Liability:		
State Tax Deferred	**2,896**	3,816
Net Deferred Tax Assets	**71,469**	156,098

Income tax (benefit)/expense consist of the following:

	2015	2014
	$	$
Federal and state income tax - Current	**14,800**	4,022
Federal and state income tax - Deferred	**84,629**	134,854
	99,429	138,876

As of March 31, 2015, the Company has federal net operating loss carryover of $16,999 available to reduce future taxable income. The federal net operating losses can be carried forward up to 2025. In the event of certain ownership changes in the Company, the ability to utilize the tax benefits from the Company's net operating loss carryover may subsequently be limited.

5. **Related Party Transactions**

The Company is wholly owned subsidiary of Tech Mahindra Limited, an India - based company.

The Company has entered into professional service agreements with Satyam Venture Engineering Services Private Limited, Tech Mahindra Americas, Inc. and Complex IT Solutions Consultoria EM Informatica S.A., which are Co-Subsidiaries of Tech Mahindra Ltd. (parent Company).

Transactions based upon terms agreed between the parties during the years ended March 31, 2015 and 2014 are as follows:

	March 31, 2015	March 31, 2014
	$	$
Service Received from:		
Satyam Venture Engineering Services for consultants and other operating expenses	**8,466,836**	7,241,014
Complex IT Solutions Consultoria EM Informatica S.A. for consultants and other operating expenses	**27,274**	-
Tech Mahindra Ltd for Other Operating Expenses	**-**	(70,052)
Tech Mahindra America Inc. for Other Operating Expenses	**288,840**	45,741
Service Provided to:		
Tech Mahindra Ltd for consultants and other operating expenses	**4,159,440**	6,373,461

Related party accounts receivable and payable as at March 31, 2015 and 2014 as follows:

	March 31, 2015 $	March 31, 2014 $
Accounts receivable:		
Tech Mahindra Ltd	**339,267**	687,685
Accounts payable:		
Satyam Venture Engineering Services (Includes provision of $ 37,130 and $ 26,458 respectively)	**2,688,744**	2,945,331
Tech Mahindra Americas Inc.	**41,459**	45,741

6. 401(k) Savings plan

The Company has established a defined contribution savings plan under Section 401(k) of the Internal Revenue Code, which covers substantially all employees who meet minimum age and services requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. Company contributions to the plan may be made at the discretion of the Board of Directors. For the years ended March 31, 2015 and 2014, the Company did not make any contribution to the plan.

7. Accrued Compensated Absences

Employees of the Company are entitled to paid vacation and sick days depending on length of service and other factors. As at March 31, 2015 and 2014, the Company accrued total $140,740 and $185,440 respectively, of unused vacation and sick leave.

8. Common Stock

Each share of common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to the prior rights of holders of all classes of stock outstanding. To date, no dividends on common stock have been declared.

9. Commitments and Contingencies

The Company is a co-defendant in an employment related claim filed by a former employee of parent company with Department of Labor. The Labor Commission already issued an order in favour of the defendants, which is under appeal with Orange County Superior Court. The Company believes there will be no material impact on the Company's financial condition should result from this appeal. Besides this matter, there are no pending legal actions, including arbitrations, class actions and other litigation, arising in connection with the Company's activities.

10. Subsequent Events

Subsequent events have been evaluated through April 20, 2015, which is the date the financial statements were available to be issued.

TECH MAHINDRA BPO LIMITED

(FORMERLY SATYAM BPO LIMITED)

Board of Directors

Sujit Baksi
Wholetime Director

Hari Thalapalli
Director

Shivanand Raja
Director

Venkateswarlu Jonnalagadda
Additional Director

Subramanyam Reddy Chelikam
Additional Director

Registered Office :

Wing 1, Oberoi Garden Estate,
Chandivalli, Andheri (E),
Mumbai - 400072,
Maharashtra, INDIA

Bankers

BNP Paribas

Citibank

HDFC Bank Limited

Kotak Mahindra Bank Limited

Auditors

M/s Bhaskara Rao & Co.,

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure of presenting the Thirteenth Annual Report, together with audited accounts of the Company, for the year ended March 31, 2015.

Financial Highlights

(₹) Mn

Particulars	**2014-15**	2013-14
Income from BPO services	**2,863.43**	2,562.30
Other Income	**(3.62)**	104.46
Total Income	**2,859.81**	2,666.76
Operating Profit (EBIDT)	**1,002.61**	962.69
Operating Margin	**35.01%**	37.57%
Depreciation	**62.71**	44.70
EBT	**933.42**	1,022.45
Net Income (PAT)	**623.86**	739.16
Cash & Cash Equivalents	**47.30**	312.78
Long Term Debt	**670**	1,620
Capital Expenditure	**125.75**	43.59

During the year under review the Company earned total revenue of ₹ 2,863.43 mn as against ₹ 2,562.30 mn for the FY 2013-14.

There are no material changes which will affect the company

There are no orders passed by the regulators or courts or tribunals which would impact the going concern status and company's operations in future.

Rewards & Recognition

Your Company received the following rewards:

1. **Most Successful Outsourced Partnership** award at SSON Excellence Awards 2015, for successful engagement with Link Super.
2. **Golden Peacock National Quality Award** for 2015 in the BPO category.

Your Company generated significant amount of coverage in analyst industry:

- Leaders in Nelson Hall NEAT evaluation for Learning BPO Report (2014)
- Major Contenders for FAO, PO, CCO Everest Group PEAK MATRIX (2014)
- Major Contenders in Everest PEAK Matrix for BPS Analytics for BPO (2015)
- Major Players for IDC Marketscape, Business Analytics BPO Services Market (2014)
- Niche Player in Gartner's Magic Quadrant for F&A BPO (2014)
- Niche Player in Gartner CM CCO Magic Quadrant (2014)
- Emerging Player, PEAK Matrix report for CCO Operations in BFSI& Healthcare

Business Overview

Your Company signed multiple new accounts in the FY 2014-15. The accounts are MasterCard, GE Health Care, Solenis, Ahlstrom SD, GE Vistaar, Broadband & CUP and have experienced a significant growth in existing accounts Verizon & GSK.

Your Company has successfully retained key customers, renewed contracts and acquired new businesses. On the strength of delivery services, the Company expanded the size of existing engagements with key customers. The Customer Satisfaction (CSAT) score is **4.25** on scale of 5.

The Company offers innovative services that deliver measurable business value to its customers and help clients focus on their core competencies and cut costs, thereby improving their efficiency levels and profitability enabling them to be more competitive in their respective markets.

Future growth prospects

Your Company has expanded its sales network across North America, Europe and Australia and is on the path of becoming the most sought after destination for companies looking to outsource their businesses, knowledge, research, legal and related high-end processes. The Company combines Service Provider and Industry Level initiatives to facilitate the wider adoption of standards and best practices and making a shift to providing its clients with high-value services rather than just minimizing or saving costs. The Company foresees a significant growth opportunity in the Knowledge Process Outsourcing (KPO) space that deals with knowledge intensive business processes requiring specialized domain based expertise.

Share Capital

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 331,043,190 comprising of 33104319 equity shares of face value ₹ 10/- each.

Auditors

The statutory Auditors, M/s M. Bhaskara Rao & Co, Chartered Accountants, Hyderabad retire at the ensuing Annual General Meeting and are eligible for reappointment. The Company received confirmation from the auditors on their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

The Board recommends the re-appointment of M/s. M. Bhaskara Rao & Co., Chartered Accountants as the Statutory Auditors of the Company.

There were no qualifications in the Auditor's report for the FY 2014-15.

Fixed Deposits

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Dividends

No dividend was recommended by the Board of Directors for the FY 2014-15.

Directors

The Board of Directors upon the recommendation of the Nomination & Remuneration Committee and pursuant to the provisions of section 161 of the Companies Act 2013 appointed Mr. Venkateswarlu Jonnalagadda and Mr. Subramanyam Reddy Chelikam as Additional Directors of the company in the category of Independent directors with effect from March 09, 2015. It was proposed to appoint both of them as Independent directors under the Companies Act, 2013 for a period of 5 years at the ensuing Annual General Meeting.

The Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Pursuant to the provisions of section 152(6) (c) 0f the Companies Act 2013, Mr. Sujit Baksi Director is liable to retire by rotation and being eligible offer himself for reappointment.

Mr. Sujit Baksi was appointed as Whole time Director on August 30, 2010 for a period of five years without any remuneration. Since his tenure is expiring, upon recommendation of Nomination and Remuneration Committee, the Board proposed to re-appoint him as a Whole Time Director of the Company as per the provisions of Section 196 and Schedule V of the Companies Act 2013, for a period of 5 years without any remuneration, subject to the approval of shareholders of the Company.

Meetings of the Board

The Company held a minimum of one board meeting in every quarter. During the year ended March, 2015 four Board Meetings were held on, April 23, 2014, July 28, 2014 and October 27, 2014 and January 21, 2015. The intervening gap between the meetings was as prescribed under the Companies Act, 2013.

Committees of the Board

Audit Committee

The Audit Committee consists of the following directors:

Venkateswarlu Jonnalagadda
Subramanyam Reddy Chelikam
Shivanand Raja

Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of following directors:

Sujit Baksi
Shivanand Raja
Venkateswarlu Jonnalagadda
Subramanyam Reddy Chelikam

Corporate Social Responsibility Committee

Corporate Social Responsibility Committee consists of following directors:

Sujit Baksi
Shivanand Raja
Hari Thalapalli
Subramanyam Reddy Chelikam

Key Managerial Personnel

Sujit Baksi	–	Whole Time Director
Uttiya Sengupta	–	Chief Financial Officer
Sirisha Sankara	–	Company Secretary

Internal auditor

The Company has appointed Ernst & Young as Internal auditor of the company for the FY 2014-15 and they have carried out the internal audit services.

Board Evaluation

Pursuant to the provisions of Sec 178 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, the Nomination and Remuneration and Committee has carried out an annual performance for the FY 2014-15, evaluation of its Board as a whole, the directors individually and as well as, the evaluation of the working of Audit committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committees. The evaluation process has been explained in the **Annexure 'B'**.

Remuneration Policy

The Board upon the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the **Annexure 'B'**

Corporate Social Responsibility (CSR)

Pursuant to the guidelines prescribed under section 135 of the Companies Act 2013, your Board has formed a Committee namely Corporate Social Responsibility (CSR) Committee on January 28, 2014. Subsequently the CSR Policy as recommended by the CSR Committee was approved by your Board.

The details of CSR activities undertaken during the year and the policy are annexed herewith as **Annexure 'C'.**

Related party transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions for the period under review are placed before the Audit Committee and the Board for its approval. Pursuant to clause (h) of subsection (3) of Sec 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form **AOC 2 is annexed to this report as Annexure D.**

Risk Management

The Company risk management is forming part of the risk management framework adopted by the Holding Company, wherein the elements of risks are over viewed for the organization as a whole including its subsidiaries.

Whistle Blower Mechanism

Whistle Blower mechanism is forming part of the Holding Company's Code of Ethical Business Conduct Policy which is applicable to all its subsidiaries. The policy sets out ways through which the stakeholders can raise concerns that relate to actual or suspected violations to the Corporate Ombudsman office.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Savitha Jyoti Associates, a firm of Company Secretary in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as **Annexure 'E'**.

There were no qualifications in the Secretarial Audit report for the FY 2014-15.

Sustainability

The Company has taken several initiatives to support the Green Initiative and can be summarized below:

- Implemented Automation of Gate Pass System, thereby eliminating the paper passes with tracking performed by online tool.
- Automated Invoice Processing, thus removing the paper from the process, while increasing the audit control.
- Improved the Back to Back trips for the cabs transporting the employees, thus optimizing utilization.

Anti-Sexual Harassment Policy

As for protection against sexual harassment, the company has formed an internal Redressal committee to which employees can write their complaints. Also the Company has Anti sexual harassment policy in which it formalized a free and fair enquiry process with clear timeline. During the year under review, there are no complaints filed in this regard.

Particulars of Employment

Pursuant to section 197 (12) of the Companies Act, 2013, read with the Companies (Remuneration of Managerial Personnel) Rules 5, 2013, the Company had no employee in India who was in receipt of remuneration of not less than ₹ 60, 00,000 during the year ended 31st March, 2015 or not less than ₹ 5, 00,000 per month during any part of the said year.

However, the particulars of employees posted and working in outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month are given below.

Name of the employee	Designation	Remuneration (₹)	Qualification	Nature of employment	DOJ	Experience	Age	Last employment	% of equity shares held by employee	Relative of Director or manager
Thompson, Ellis Blake	Manager Operations-BSG	6,029,046	Intermediate	Permanent	1-Aug-12	4.1	57.02	Dell	NIL	NA
M.U,Monnappa	Sr. Account Manager	6,159,855	Graduation	Permanent	21-Mar-14	20.3	41.06	Office Tiger	NIL	NA

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure 'F'**

Conservation of Energy, Technology Absorption and Foreign Exchange

The particulars prescribed as per Sec 134 (3) (m) of Companies Act 2013 read with Companies (Accounts) Rules 2014 made thereunder Rule 8.

Conservation of Energy:

Your Company uses electrical energy for its equipment such as air-conditioners, computer terminals, lighting and utilities at work places. As an on -going process, the Company continued to undertake the following measures to conserve energy:

- Incorporating new technologies in the air conditioning system in the upcoming facilities, to optimize power consumption
- Identification and replacement of low efficient machinery (AC)
- Identification and replacement of out dated and low efficient UPS systems
- Conducting continuous conservation awareness and training sessions for operational personnel

Technology Absorption:

Your Company has invested significantly in the platforms and enhanced their features and capabilities. Xpedio is rebranded as OrderVU and Capio is rebranded as OrderFix.

As part this journey to improvise, the company launched:

- UNO: This Unified Desktop platform brings in automation for back office operations / contact centers, and address issues related to AHT & improvement in Customer response times
- CartFULL: This platform supports the retail e-commerce industry to help resolve issues such as cart abandonment, order fallouts, order tracking, etc.
- SWIFT: SWIFT delivers IT helpdesk support for large organizations and reduces costs related to IT helpdesk
- Carexa: This platform enables CXOs of large contact center operations to improve engagement, reduce costs and generate more value out of customer interactions via Robotics & Automation, Multi-Channel, Analytics, Operational Excellence & Consultancy

Your Company has adapted to a progressive economic climate to clock an impressive growth rate of **12%**. The Company has transitioned towards managing increasingly complex processes from involving rule-based decision making to research and analytical services requiring informed individual judgement. The clients today expect your company to provide innovative solutions for their businesses moving beyond the requisite 'transactional' services. The Company provides remote cardiac monitoring life-saving services for a company that offers state-of-the-art solutions to cardiac patients and physicians in geographies across the world.

Your Company also swiftly evolving towards providing specialized services in finance, healthcare, technology, GIS platform, etc. The next big step is our advancement from B2B to B2C services through emerging delivery platforms such as the Cloud, Socio and Tecnico. The sustained investment in training and leveraging alternative talent stream hold in good stead to capitalize on all future opportunities.

Foreign Exchange Earnings and outgo

	March 31, 2015	March 31, 2014
I) Foreign Exchange Earning	**2,700,487,779**	2,330,463, 247
II) Foreign Exchange outgo	**401,359,378**	350,245, 420

Directors' Responsibility Statement

As required by the provisions of Section 134 of the Companies Act, 2013, Directors' Responsibility Statement is attached as **Annexure 'A'.**

Acknowledgement

Your Directors take this opportunity to place on record the valuable contribution and support received from the customers, members, banks, suppliers, partners, and associates of the Company.

For and on behalf of the Board of Directors

Place: Hyderabad

Date: April 27, 2015

Mr. Sujit Baksi

Whole-time Director

Annexure 'A'

Directors' Responsibility Statement

To the Members,

We the Directors of Tech Mahindra BPO Limited, confirm the following:

i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. That the directors had prepared the annual accounts on a going concern basis.

v. The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: April 27, 2015

Mr. Sujit Baksi
Whole-time Director

Annexure B

NOMINATION AND REMUNERATION COMMITTEE POLICY

1. **OBJECTIVE**

In compliance with the provisions of Section 178 of Companies Act 2013, following policies are formalized into this document:

0.1 Policy on appointment and removal of Directors, Key Managerial Personnel and Senior Management;

0.2 Policy on Remuneration to the Directors, Key Managerial Personnel, Senior Management and other Employees

0.3 Policy on Evaluation of performance of the Board of Directors, Committees and individual Directors,

2. **DEFINITIONS**

The definitions of some of the key terms used in this Policy are given below.

“Board” means Board of Directors of the Company.

“Company” means **Tech Mahindra BPO Limited**.

“Committee(s)” means Committees of the Board for the time being in force.

“Employee” means employee of the Company whether employed in India or outside India including employees in Senior Management Team of the Company.

“HR’ means the Human Resource department of the Company.

“Key Managerial Personnel” (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes

(i) Executive Chairman (EC);

(ii) Chief Financial Officer (CFO); and

(iii) Company Secretary (CS).

“Nomination and Remuneration Committee” (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“Senior Management” The expression ‘‘senior management’’ means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

3. **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT**

3.1 **Directors**

- The NRC determines the criteria for appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of individual Board member, the NRC will take into account multiple factors, including general understanding of the business, education, professional background, personal achievements, professional ethics and integrity.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made there under.

3.2 **KMPs**

- In case of EC / MD / CEO’s appointment, NRC will initiate the process of identifying the new candidate, which can be an internal or external candidate, for the respective position. After identification and screening of the candidate, NRC will propose the candidature to the Board for its consideration and for appointment subject to the approval of the Shareholders and Regulatory Authority, if any.
- The authority to identify right candidates for the appointment of CFO and CS is vested with the EC. The HR may also facilitate in identifying the candidates internally or externally. NRC will consider the candidates proposed and recommend to the Board for its consideration and appointment in accordance with the applicable provisions of the Act and Rules.

- However, internal candidates also can also be nominated by the Holding Company for KMP positions, which NRC may recommend to Board.

3.3 **Senior Management personnel**

- The NRC based on the business need and the suitability of the candidate, either on suo motto or upon the proposal of Chairman / CEO supported by HR, will consider or recommend to the Board, for the appointment or removal of the Senior Management personnel.
- The details of the appointment made and the personnel removed / relieved during a quarter shall be presented to the Board as part of update during their quarterly meetings

3.4 **Removal of Board of Directors and KMPs**

- If a Director or a KMP is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non-adherence to the applicable policies of the company, the NRC may recommend to the Board, removal of a Director or a KMP subject to the compliance of the applicable statutory provisions.

4. **REMUNERATION TO DIRECTORS, KMPS & SENIOR MANAGEMENT PERSONNEL :**

4.1 **Directors:**

- The sitting fee for the Board and Committee meetings will be recommended by NRC to the Board.
- The members on the Board, who has been nominated by the Holding Company, will not be paid any sitting fee for the Board and Committee meetings.
- However, if necessary, NRC may recommend to the Board for such payments to any of the directors.

4.2 KMPs & Senior Management Personnel

- The NRC either on the recommendation of Chairman / CEO supported by HR or suo motto on its own, may consider to fix the remuneration for KMPs and Senior Management Personnel. The Company follows an extensive performance management system to review the performance of the Senior Management and provide rewards on the basis of meritocracy.
- There shall be a presentation to the NRC on the proposed annual increments based on the performance of the company, general trends in the Industry etc. the annual performance appraisal process of the employees conducted by the Human Resources department, during the financial year. Eligible employees will be rewarded with the annual increment. Before taking the proposal to the NRC, approval of Chairman shall be obtained.
- However, if any internal candidate is nominated by Holding Company from their rolls for any of these positions, the remuneration for such candidate(s) will be fixed by the holding company.

5. **FRAMEWORK FOR PERFORMANCE EVALUATION OF THE BOARD:**

5.1 **Performance Evaluation of The Board As A Whole And Individual including Independent Directors:**

- Evaluation for the Board as a whole, and individual Directors, including independent directors will be carried out in the first month of each financial year i.e. April. The process will be initiated each year by the Chairman of NRC or any other person authorized by the NRC. Each Board member will get an evaluation forms as given in **Annexure-I** and **Annexure -V** in the first week of April of each year. The members shall complete the form and return it to the authorized person. The summary report of evaluation on Board performance as a whole will be presented by the Chairman in **Annexure II** during the first Board Meeting of the financial year scheduled for approval of annual accounts.

5.2 Process for Performance Evaluation of the Committee:

- Board's Committee evaluation will be carried out in the first month of each financial year i.e. April. Each Committee member will get an evaluation form as given in **Annexure – III** for the Committee(s) he/she is part of in the first week of April of each year. Committee Members shall complete the forms and return them to the authorized person. The Chairman of the Committee will share summary of evaluation reports with the respective Committee in its first meeting of the financial year **in Annexure – IV**. The results will also be presented to the Board during the first Board meeting of the financial year by the Chairman of the respective Committee.

Annexure 'C'

Report on CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Company's CSR Policy is stated herein below.
2. Composition of the CSR Committee:

Mr. Sujit Baksi	- Director
Mr. Shivanand Raja	- Director
Mr. Hari T	- Director
Mr. Subramanyam Reddy Chelikam	- Independent Director

3. Average net Profit of the Company for the last three financial years: ₹ 66.58 crs
4. Prescribed CSR Expenditure (two percent of the amount as an item 3 above ₹ 1.33 crs
5. Details of CSR spend for the financial year:

   a) Total amount spent for the financial year : ₹ 1.33 crs
   b) Amount unspent, if any : NIL

(₹) in Crores

S. no	Projects NGO Partner	Sector	Location	Amount Outlay (Budget-program wise)	Amount Spent on the project	Cumulative expenditure upto reporting period	Amount Spent or through implementing agency
1	**Aseema- PCMS Project** 1) Children successfully participated in the Inter- School BMC Athletics where they secured ten gold, six silver and nine bronze medals. - 2) Students also participated in the Divisional BMC Athletics competition where they secured five gold medals. No. of beneficiaries-585	Education	Mumbai	0.66	0.66	0.66	Tech Mahindra Foundation
2	**Aseema- KMS Project** 1) 238 children have been enrolled and are learning through an activity based learning approach. 2) Students participated in the Divisional BMC Athletics competition where they secured four gold medals, one silver and one bronze medal. No. of beneficiaries-238	Education	Mumbai	0.34	0.34	0.34	Tech Mahindra Foundation
3	**EDUCO-** 1) EDUCO students won four medals in athletics at 'Malabar Hill Mahotsav" held in Mumbai from May 9th to June 8th, 2014. 2) Five EDUCO students were selected in the Mumbai Langadi team. No. of beneficiaries-423	Education	Mumbai	0.33	0.33	0.33	Tech Mahindra Foundation

For and on behalf of the Board of Directors

Place: Hyderabad
Date: April 27, 2015

Mr. Sujit Baksi
Whole-time Director

CSR POLICY

(Approved by the board of directors on April 23, 2014)

Corporate Social Responsibility Policy & Vision Document

ABSTRACT

The document outlines the Vision and Policy of Tech Mahindra BPO Limited towards Corporate Social Responsibility, in accordance with Section 135 of the Companies Act 2013 and the Rules thereunder.

BACKGROUND

Tech Mahindra BPO Limited (TMBL) is a wholly owned subsidiary of Tech Mahindra Limited. Presently TMBL engaged in providing integrated outsourced solutions across the full value stream of customer lifecycle, back office lifecycle management services and platform solutions to clients in Telecom, Healthcare & Life sciences, Retail, High Tech/Manufacturing and Banking Financial Services & Insurance domains in multiple channels (Voice, Email, Chat & Social Media) & multiple languages (33+ languages) from 26 delivery centers globally.

CSR VISION

For TMBL, Corporate Social Responsibility means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. It entails having business policies that are ethical, equitable, environmentally conscious, gender sensitive, and sensitive towards the differently abled.

TMBL commits itself to create a more equitable and inclusive society by supporting processes that lead to sustainable transformation and social integration.

The company will implement its CSR programs through its Holding Company, Tech Mahindra Limited in supporting its activities in Tech Mahindra Foundation and Mahindra Educational Institutions (Section 25 Companies set up under the Companies Act 1956).

→ TMF, through vibrant and innovative partnerships with the Government, NGO's, CBO's and other organisations, will promote quality education and employability for vulnerable sections of society.

→ MEI will promote innovation and technology development through provision of quality technical education.

OBJECTIVES

The objectives of this policy are to -

- Demonstrate commitment to the common good through responsible business practices and good governance.
- Actively support and be part of the state's development agenda to ensure sustainable change
- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models
- Engender a sense of empathy and equity among employees of TML to motivate them to give back to the society

APPLICABILITY

1. TMBL (hereby referred to as the Company) CSR policy has been developed in consonance to Section 135 of the Companies Act 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014.
2. The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.

CSR BUDGET

CSR Committee will recommend the annual budgeted expenditure project wise to the Board for its consideration and approval.

IMPLEMENTATION

The Company's CSR programs will be identified and implemented according to the Board's approved CSR policy. The Company will enhance its monitoring and evaluation mechanism so as to ensure every program has:

- Clearly defined objectives (developed out of existing societal needs determined through baselines/studies/ research), targets and time lines.
- a robust progress monitoring system
- impact assessments
- a reporting framework and system in alignment with the Act and Rules.

The Company will implement its CSR Programs primarily through Tech Mahindra Foundation (TMF) (Section 25 Company set up under the Companies Act 1956).

The focus areas shall be primarily promotion of Education. Within this broad theme specific areas such as school education, education for employment and technical education are included. Persons with disability and Women's Empowerment are cross-cutting themes in these focused areas.

ROLES AND RESPONSIBILITIES - BOARD

The Board of Tech Mahindra BPO Limited will be responsible for:

- approving the CSR policy as formulated by the CSR Committee
- Ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation excluding profits arising from overseas branches made during the three immediate preceding financial years.

- ensuring that every financial year funds committed by the Company for CSR activities are utlized effectively, and regularly monitoring implementation.
- disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activites on the Company website.

CSR COMMITTEE

I. Composition of the The CSR committee: will consist of three or more directors of which, one will be an independent director, if any, appointed on the Board.

II. The CSR committee will be responsible for:

   - formulating the CSR policy in compliance to Section 135 of the Companies Act 2013
   - Identifying activities to be undertaken as per Schedule VII of the Companies Act 2013 .
   - Recommending to Board the CSR expenditure to be incurred.
   - Recommending to Board, modifications to the CSR policy as and when required.
   - regularly monitoring implementation of the CSR policy

DOCUMENTATION AND REPORTING

The CSR Committee will prepare the annual CSR report to be filed by the Company on approval of the Board. This report will ensure:

Annexure 'D'

FORM AOC 2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis**

   There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2015, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis are as follows:

   (a) Name(s) of the related party and nature of relationship

   Holding Company - Tech Mahindra Limited

   Associate Company

   Satyam Venture Engineering Services Pvt. Ltd.

   Tech Mahindra Americas Inc.

   Fellow Subsidiary –

   - New vC Services Private Limited.
   - Tech Mahindra Foundation

   (b) Nature of contracts/arrangements/transactions: NIL

   (c) Duration of the contracts / arrangements/transactions : NA

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Amount in ₹

Description	Transactions during the year ended March 31, 2015				Transactions during the year Ended March 31, 2014			
	Holding Company	Associate Company	Fellow Subsidiary	Key Management Personnel	Holding Company	Associate Company	Fellow Subsidiary	Key Management Personnel
Sales / Services rendered to	802,663,483	35,087,326	-	-	801,729,903		-	-
Remuneration	-	-	-	2,402,183**	-	-	-	4,820,000*
Advances from /(to) #	-	-	-	-	-	-	-	-
Services received / Purchases	304,738,828	25,569,585	4,522,952	-	276,172,777	-	2,893,130	-
CSR Expenses	-	-	13,320,000***	-	-	-	-	-

   (e) Date(s) of approval by the Board, if any: Not in particular

   (f) Amount paid as advances, if any: NA

   # Received the Loan from holding company and outstanding amount is ₹ 67 Cr as on 31.03.2015

For and on behalf of the Board of Directors

Place: Hyderabad

Mr. Sujit Baksi

Date: April 27, 2015

Whole-time Director

Annexure 'E'

Secretarial Audit Report
Form no. MR-3

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Tech Mahindra BPO Limited
CIN: U72900MH2002PLC254736
Mumbai – 400 072

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tech Mahindra BPO Limited, a closely held Public Limited Company (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Tech Mahindra BPO Limited, ("the Company"), for the financial year ended on 31st March, 2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **Not Applicable**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not Applicable**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Not Applicable**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **Not Applicable**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**

(vi) Following are the other laws applicable to the Company:-

1. The Payment of Wages Act, 1936
2. The Minimum Wages Act, 1948
3. Employees' State Insurance Act, 1948

4. The Employees' Provident Fund and Miscellaneous Provisions Act, 1948
5. The Payment of Bonus Act, 1965
6. The Payment of Gratuity Act, 1972
7. The Contract Labour (Regulation and Abolition) Act, 1970
8. The Maternity Act, 1961
9. The Child Labour (Prohibition and Regulation)Act, 1986
10. The Equal Remuneration Act, 1976
11. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1976

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. **Not yet notified**

(ii) The Listing Agreements entered into by the Company with the Stock Exchange(s), if applicable; **Not Applicable**

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as applicable.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I/we further report that during the audit period the company has not taken up any actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Date: April 21, 2015
Place: Hyderabad

Savita Jyoti Associates
Practicing Company Secretary
FCS No.3738
C P No:1796

P.S. This report is to be read along with or letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Tech Mahindra BPO Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. This is neither financial audit nor an expression of opinion on the financial statements of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

Place: Hyderabad
Date: April 21, 2015

Savita Jyoti Associates
Practicing Company Secretary
FCS: 3738
C.P No: 1796

Annexure 'F'

Extract of Annual Return
As on the financial year ended 31.03.2015
[Pursuant to section 92(3) of the companies act, 2013, and rule 12(1) of the Companies (Management and Administration) rules, 2014]

Form no. MGT – 9

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- U72900MH2002PLC254736

ii) Registration Date: 05/06/2002

iii) Name of the Company: Tech Mahindra BPO Limited

iv) Category / Sub-Category of the Company

v) Address of the registered office and contact details: Wing 1, Oberoi Garden Estate ,Chandivali, Andheri (E),Mumbai, Maharashtra INDIA 400072

vi) Whether listed company: No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	BPO Services	6202	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. N0	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Tech Mahindra Limited	L64200MH1986PLC041370	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual/ HUF									
h) Central Govt									
i) State Govt (s)									
j) Bodies Corp.	NIL	3,31,04,319	3,31,04,319	100	NIL	3,31,04,319	3,31,04,319	100	NIL
k) Banks / FI									
l) Any Other….									
Sub-total									
(A) (1):-									
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other….	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total									
(A) (2):-									
Total shareholding of Promoter									
(A) = (A)(1)+(A)(2)									
B. Public Shareholding									
1 Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total									
(B)(1):-									
2. Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital in excess ₹ 1 lakh									
c) Others (specify)									
Sub-total									
(B)(2):-									
Total Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total	**NIL**	**3,31,04,319**	**3,31,04,319**	**100**	**NIL**	**3,31,04,319**	**3,31,04,319**	**100**	**NIL**
(A+B+C)									

(ii) Shareholding of Promoters

Sl no	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year		
		No. of shares	% of total shares of the company	%of shares pledged/ shares encumbered to total shares	No. of shares	% of total shares of the company	%of shares pledged/ shares encumbered to total shares
1	Tech Mahindra Limited	3,31,04,269	100	NA	3,31,04,269	100	NA
2	Tech Mahindra Limited jointly with Chander Prakash Gurnani	10	negligible	NA	10	negligible	NA
3	Tech Mahindra Limited Jointly with Hari Thalapalli	10	negligible	NA	10	negligible	NA
4	Tech Mahindra Limited Jointly with Sreenivasa Murthy Achutuni	10	negligible	Na	10	negligible	Na
5	Tech Mahindra Limited Jointly with Jayaraman Ganapathy	10	negligible	NA	10	negligible	NA
6	Tech Mahindra Limited Jointly with Shivanand Raja	5	negligible	NA	5	negligible	NA
7	Tech Mahindra Limited Jointly with Venkata Kumar Raju Vadapalli	5	negligible	NA	5	negligible	NA
	Total	**3,31,04,319**	**100%**		**3,31,04,319**	**100%**	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer /bonus/sweat equity etc.):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer /bonus/sweat equity etc.):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	15 (Jointly holding with Tech Mahindra)	Negligible	15 (Jointly holding with Tech Mahindra)	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer /bonus/sweat equity etc.):	NA	NA	NA	NA
	At the End of the year	15 (Jointly holding with Tech Mahindra)	NIL	15 (Jointly holding with Tech Mahindra)	NA

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Deposits Loans	Total Indebtedness
Indebtedness at the			
beginning of the financial			
year			NIL
i) Principal Amount	NIL	NIL	
ii) Interest due but not paid			
iii) Interest accrued but not due			
Total (i+ii+iii)	NIL	NIL	NIL
Change in Indebtedness			
during the financial year	NIL		NIL
· Addition		NIL	
· Reduction			
Net Change	NIL	NIL	NIL
Indebtedness at the			
end of the financial year			
i) Principal Amount	NIL	NIL	NIL
ii) Interest due but not paid			
iii) Interest accrued but not			
due			
Total (i+ii+iii)	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sujit Baksi is an employee of the Holding Company and was nominated as WTD without remuneration on the subsidiary Board.

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager: Sujit Bakshi (WTD)				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961					
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit		-	-	-	-
	- others, specify…	-				
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

Remuneration to other directors: Shivanand Raja and Hari T are employees of the holding company and was nominated them on the subsidiary Board.

J. Venkateswarlu and Chelikam Subramanyam Reddy are appointed as independent directors and there was no fee paid during the year under review.

Sl. no.	Particulars of Remuneration	Name of directors				Total Amount
		Shivanand Raja	Hari T	J.Venkateswarlu	Chelikam Subramanyam Reddy	
	3. Independent Directors					
	· Fee for attending board / committee meetings	-	-	-	-	-
	· Commission					
	· Others, please specify					
	Total (1)	-	-	-	-	-
	4. Other Non-Executive					
	· Fee for attending board/	-	-	-	-	-
	committee meetings					
	· Commission					
	· Others, please specify					
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial	-	-	-	-	-
	Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key managerial Personnel			Total Amount
		Whole time Director*	Company secretary*	CFO	
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			24,42,918	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			15,78,205	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			-	
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission			-	-
	- as % of profit	-	-	-	-
	- Others, specify…				
5	Others, please specify	-	-	-	-
	Total (A)	-	-	**40,21,123**	-
	Ceiling as per the Act	-	-	-	-

Salary to Whole-time Director and Company Secretary was not paid, as they were in the roles of Holding Company for the period under review.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors
Tech Mahindra BPO Ltd,

We have audited the accompanying financial statements of Tech Mahindra BPO Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (which continue to apply as per Section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules, 2014).This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error and in selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. These Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, and it's profit and it's cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Government of India, in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

   c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

   d) in our opinion, the Financial Statements comply with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 [which continue to apply as per Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014].

   e) According to the information and explanations given to us and in our opinion, there are no financial transactions or matters which have any adverse effect on the functioning of the company;

   f) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

   g) According to the information and explanations given to us and in our opinion, the Company has disclosed all known pending litigations in Note no 2.19 to the Financial Statements. Since the matters involving these litigations are sub-judice at present, the impact of these pending litigations on its financial position could not be stated in the Financial Statements.

   h) According to the information and explanations given to us and in our opinion, no provisioning is required under any law or accounting standards, for material foreseeable losses on long term contracts. Further, according to the information and explanations given to us and in our opinion, there were no derivative contracts entered into by the Company as at March 31, 2015.

   i) The provisions of Investor Education Protection Fund are not applicable to the Company.

For M Bhaskara Rao & Co.
Chartered Accountants
Firm's Registration Number: 000 459 S

Hyderabad
April 27, 2015

V K Muralidhar
Membership Number: 201570

STATEMENT REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) The management has conducted physical verification of major fixed assets during the year and as explained to us, no material discrepancies have been noticed on such verification.

ii. The company is engaged in business Process Management, transitioning services and customer contact services and it does not hold any inventories. Hence, paragraph 3 (ii) of the Order is not applicable.

iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore clause 3(iii) of the Order is not applicable

iv. According to the information and explanations given to us and in our opinion, there are adequate internal control systems commensurate with the size of the Company and nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

v. According to the information and explanations given to us, the Company has not accepted deposits from the Public under the provisions of Section 73 and Section 74 of the Companies Act, 2013 and the rules framed there under. Therefore, the provisions of clause 3(v) of the Order are not applicable.

vi. According to the information and explanations given to us and in our opinion, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013.

vii. a. The Company has been regular in depositing undisputed applicable statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. Provisions of Investor Education and Protection Fund are not applicable to the Company, at present. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.

b. According to the information and explanation given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues which have not been deposited on account of any dispute except:

Name of the Statute	Nature of Dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax (including interest and penalty)	26,61,73,003	2006-07 to 2010-11	Customs. Excise and Service Tax Appellate Tribunal (CESTAT)
		70,03,232	2011-12	
		12,29,763	2012-13	
Income Tax Act, 1961	Income Tax dues	2,44,11,737	Assessment Year 2006-07	Commissioner of Income Tax (Appeals)
		1,92,04,441	Assessment Year 2011-12	

viii. Accumulated losses of the Company as at 31st March 2015 does not exceed fifty percent of its net worth. The Company has not incurred cash losses during the year covered by the report and in the financial year immediately preceding the financial year.

ix. According to the information and explanations given to us and in our opinion, as at March 31, 2015, the company has no dues to financial institutions / banks. The company has not issued any debentures.

x. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

xi. According to the information and explanations given to us and in our opinion, during the year under report, no term loans were availed.

xii. During the course of our examinations of the books and records of the Company carried out in accordance with the generally accepted practices in India and according to the information and explanations given to us, no instance of fraud on or by the company was noticed or reported during the year, nor have we been informed of such case by the management.

For M Bhaskara Rao & Co.
Chartered Accountants
Firm's Registration Number: 000 459 S

Hyderabad
April 27, 2015

V K Muralidhar
Membership Number: 201570

BALANCE SHEET AS AT MARCH 31, 2015

Amount in (₹)

	Description	Note Reference	As at March 31, 2015	As at March 31, 2014
I.	**EQUITY AND LIABILITIES**			
1.	**Shareholders' Funds**			
	(a) Share Capital	2.01	**331,043,190**	331,043,190
	(b) Reserves and Surplus	2.02	**(29,728,037)**	(653,585,418)
			301,315,153	(322,542,228)
2	**Non Current Liabilities**			
	(a) Long Term Borrowings	2.03	**670,000,000**	1,620,000,000
	(b) Long Term Provisions	2.04	**23,094,472**	16,303,796
			693,094,472	1,636,303,796
3	**Current Liabilities**			
	(a) Trade Payables	2.05	**311,058,133**	141,898,637
	(b) Other Current Liabilities	2.06	**37,426,251**	29,751,240
	(c) Short Term Provisions	2.07	**14,838,099**	11,599,602
			363,322,483	183,249,479
	TOTAL		**1,357,732,109**	1,497,011,047
II.	**ASSETS**			
1	**Non-Current Assets**			
	(a) Fixed Assets	2.08		
	(i) Tangible Assets		**119,059,503**	74,416,793
	(ii) Intangible Assets		**24,290,685**	5,894,320
	(iii) Capital work-in-progress		**-**	622,200
			143,350,188	80,933,313
	(b) Deferred Tax Asset		**66,844,946**	74,810,857
	(c) Other Non Current Assets	2.09	**199,222,096**	197,137,793
			409,417,230	352,881,963
3	**Current Assets**			
	(a) Trade Receivables	2.10	**627,090,046**	464,606,951
	(b) Cash and Bank Balances	2.11	**47,900,386**	312,781,024
	(c) Short Term Loans and Advances	2.12	**92,217,428**	203,835,719
	(d) Other Current Assets	2.13	**181,107,018**	162,905,390
			948,314,878	1,144,129,084
	TOTAL		**1,357,732,109**	1,497,011,047

Significant Accounting Policies 1

See accompanying notes 1, 2.18 to 2.33

This is the Balance Sheet referred to in our report of even date.

for M. Bhaskara Rao & Co.,
Chartered Accountants

V. K. Muralidhar
Partner

S. Sirisha
Company Secretary

J Venkateswaralu
Director

Subramanyam Reddy Chelikam
Director

Vijay Rangineni
Senior Vice President

Sujit Baksi
Whole-time Director

Shivanand Raja
Director

Hari T
Director

Uttiya Sengupta
Chief Financial Officer

Place: Hyderabad
Date: 27.04.2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Amount in (₹)

Description		Notes Reference	Year Ended 31-Mar-15	Year Ended 31-Mar-14
I.	**Revenue from operations**	**2.14**	**2,863,434,454**	2,562,297,281
II.	**Other Income**	**2.15**	**(3,619,709)**	104,464,478
III.	**Total Revenue (I + II)**		**2,859,814,746**	2,666,761,759
IV.	**Expenses**			
	Employee benefits expense	**2.16**	**1,268,113,121**	1,081,206,894
	Depreciation and amortization expense	**2.08**	**62,712,063**	44,705,166
	Other expenses	**2.17**	**592,534,880**	518,114,890
	Finance Cost	**2.18**	**3,031,390**	284,945
	Total Expenses		**1,926,391,454**	1,644,311,896
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**933,423,292**	1,022,449,863
VI.	**Exceptional Items**		**-**	-
VII.	**Profit Before Extraordinary Items and Tax (V-VI)**		**933,423,292**	1,022,449,863
VIII.	**Extra ordinary items**		**-**	-
IX.	**Profit before tax (VII- VIII)**		**933,423,292**	1,022,449,863
X.	**Tax expense:**			
	- Current Tax		**200,000,000**	220,000,000
	- MAT Credit		**101,600,000**	(145,000,000)
	- Deferred Tax		**7,965,911**	208,288,911
			309,565,911	283,288,911
XI.	**Profit for the period from continuing operations (IX - X)**		**623,857,381**	739,160,952
XII.	**Profit from discontinuing operations**		**-**	-
XIII.	**Tax expense of discontinuing operations**		**-**	-
XIV.	**Profit from Discontinuing operations (after tax) (XII-XIII)**		**-**	-
XV.	**Profit for the period (XI + XVI)**		**623,857,381**	739,160,952
XVI.	**Earnings per equity share:**			
	Basic and Diluted		**18.85**	22.33
	(₹ Per equity share of ₹ 10 each)			

See accompanying notes 1, 2.18 to 2.33
This is the Statement of Profit and Loss referred to in our report of even date.

for M. Bhaskara Rao & Co.,
Chartered Accountants
V. K. Muralidhar
Partner

J Venkateswaralu
Director

Subramanyam Reddy Chelikam
Director

Sujit Baksi
Whole-time Director

Shivanand Raja
Director

Hari T
Director

S. Sirisha
Company Secretary

Vijay Rangineni
Senior Vice President

Uttiya Sengupta
Chief Financial Officer

Place: Hyderabad
Date: 27.04.2015

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

Amount in (₹)

		Year Ended March 31, 2015	Year Ended March 31, 2014
A.	**Cash Flows from Operating Activities**		
	Net Profit/(Loss) before Tax	**933,423,292**	1,022,449,863
	Add: Depreciation	**62,712,063**	44,705,166
	Add: Provision for Doubtful Debts	**5,151,590**	
	(Profit) / Loss on sale of Fixed Assets	**-**	36,588
	Interest Income/Dividends considered separately	**(3,317,919)**	(41,419,379)
	Liabilities/ provisions no longer required written back	**-**	(26,865,874)
	Exchange Differences on translation of foreign currency cash and cash equivalents		
	Profit / Dividend on sale of Current Investments		
	Cash flow before changes in Working Capital	**997,969,025**	998,906,365
	(Increase)/Decrease in Sundry Debtors	**(167,634,685)**	(62,404,069)
	(Increase)/Decrease in Loans and Advances	**111,618,291**	(165,872,663)
	(Increase) / Decrease in non current assets	**(303,684,303)**	(65,243,684)
	(Increase) / Decrease in other current assets	**(18,201,628)**	(20,360,131)
	Increase / (Decrease) in non current liabilities	**6,790,676**	1,537,028
	Increase/(Decrease) in Current Liabilities	**180,073,004**	28,240,619
	Income Taxes Paid		-
	Exchange differences on translation of foreign currency cash and cash equivalents	**(7,451,026)**	10,824,836
	Net Cash Flow from Operating Activities	**799,479,355**	725,628,300
B.	**Cash Flows from Investing Activities**		
	Purchase of Fixed Assets	**(125,751,137)**	(43,963,272)
	Increase / Decrease in CWIP	**622,200**	-
	Proceeds from sale of Fixed Assets		264,881
	Interest accrued / income received	**3,317,918**	41,419,379
	Net Cash Flow from Investing Activities	**(121,811,019)**	(2,279,013)
C.	**Cash Flows from Financing Activities**		
	Repayment of Share Application money pending allotment	**-**	-
	Repayment of long-term borrowings (including current maturities of the same)	**(950,000,000)**	(1,000,000,000)
	Proceeds from issue of share capital	**-**	-
	Redemption of Preference Shares	**-**	-
	Proceeds from Secured Loans	**-**	-
	Proceeds from Unsecured Loans	**-**	-
	Repayment of Secured Loans - Vehicles		
	Financial expenses paid	**-**	-
	Net Cash Flow from Financing Activities	**(950,000,000)**	(1,000,000,000)
D.	**Exchange differences on translation of foreign currency Cash and Cash Equivalents**	**7,451,026**	(10,824,836)
	Net Increase in Cash and Cash equivalents during the Year	**(264,880,639)**	(287,475,549)
	Cash and Cash equivalents at the beginning of the Year	**312,781,024**	600,256,573
	Cash and Cash equivalents at the end of the Year	**47,900,385**	312,781,024

This is the Cash Flow Statement referred to in our report of even date.

for M. Bhaskara Rao & Co.,		Sujit Baksi
Chartered Accountants		**Whole-time Director**
V. K. Muralidhar	J Venkateswaralu	Shivanand Raja
Partner	**Director**	**Director**
	Subramanyam Reddy Chelikam	Hari T
	Director	**Director**
S. Sirisha	Vijay Rangineni	Uttiya Sengupta
Company Secretary	**Senior Vice President**	**Chief Financial Officer**

Place: Hyderabad
Date: 27.04.2015

Notes to financial statements for the year ended March 31, 2015
SIGNIFICANT ACCOUNTING POLICIES

Corporate Information:

Tech Mahindra BPO Limited ("the Company") is engaged in business process management, transitioning services and customer contact services through its Indian operations and through branch in United States of America and United Kingdom. These financial statements reflect the results of its operations carried on by Indian operations and overseas branches.

1. Significant Accounting Policies

a) Basis of Presentation

The financial statements are prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) that are followed in India. GAAP comprises the mandatory accounting standards as prescribed by Companies (Accounting Standards) Rules 2006 [which continue to apply under Companies Act, 2013("the Act")] and other applicable provisions of the Act. All incomes and expenditures, having a material bearing on the financial statements, are recognized on an accrual basis.

b) Use of Estimates

The preparation of financial statements in conformity with the GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of incomes and expenses during the reporting year. Such estimates include, estimate of useful life of fixed assets, provision for doubtful debts etc. Actual results could differ from those estimates. Changes in estimates are reflected in financial statements in the year in which changes are made and, if material, their effects are disclosed in the financial statements.

c) Revenue Recognition

Revenue from operations:

The Company recognizes revenue from engagement services based on the number of engagements performed. Revenues from time based services are recognized based on the time incurred in providing services at contracted rates. Revenue from per incident services is based on the performance of specific criteria at contracted rates.

The Company also performs time bound fixed-price engagements, under which revenue is recognized using the percentage completion method of accounting. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses on such engagements are made during the year in which a loss becomes probable and can be reasonably estimated.

Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of the contract and also net of applicable indirect taxes.

Unbilled revenue, represents amounts recognized based on services performed in advance of billing in accordance with contract terms.

Interest income:

Interest income is recognized using time proportion method, based on the transactional interest rates.

d) Fixed Assets and Depreciation

Fixed assets are stated at actual cost less accumulated depreciation. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, eligible finance charges and other incidental expenses incurred during the construction/installation stage.

Depreciation on fixed assets is computed on the straight line method over their estimated useful lives which are equal to or lower than the lives prescribed under Part C of Schedule II to the Companies Act, 2013. Depreciation is charged on pro-rata basis for the assets purchased during the year.

Costs of application software for internal use, the estimated useful life of which is relatively short and usually less than one year are generally charged to revenue as and when incurred

The estimated useful lives of fixed assets are as follows:

Asset Category	Estimated Useful lives
Computers	3 Years
Plant and Machinery	
(Other than Computers)	5 Years
Application Software for contract execution	3 Years
Office Equipment	5 Years
Furniture, Fixtures and Interiors	5 Years
Vehicles	5 Years
Lease Hold Improvements	Lower of lease period or expected useful life

Depreciation is accelerated on fixed assets, based on their condition, usability etc, as per the technical estimates of the Management, where necessary.

e) Capital Work in Progress

Assets under installation or under construction as at the Balance sheet date are shown as Capital work–in-progress. Advances paid towards acquisition of assets are included under Capital Advances.

f) Foreign Currency Translation

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange at the balance sheet date and resultant gain or loss is recognized in the Statement of Profit and Loss.

Non-monetary assets and liabilities are translated at the rate prevailing on the date of transaction.

The operations of foreign branches of the Company are of integral in nature and the financial statements of these branches are translated using the same principles and procedures of head office.

g) Employee Benefits

Contributions to defined schemes such as Provident Fund and Employee State Insurance Scheme are charged to Statement of Profit and Loss on accrual basis. The Company also provides for Gratuity and leave encashment in accordance with the requirements of revised Accounting Standard -15 “Employee Benefits”.

h) Taxes on Income:

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the company.

Deferred tax charge /credits are recognized for future tax consequences attributable to timing differences that result between the profit / loss offered for income taxes and the profit/loss as per the financial statements.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, deferred tax asset resulting from brought forward loss or unabsorbed depreciation under taxation laws are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down/written up to reflect the amounts that is reasonably/virtually certain to be realized.

MAT Credit:

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified year. In the year in which the MAT credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note on Accounting for Credit Available under Minimum Alternate Tax issued by The Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Statement of Profit And Loss and shown as “MAT Credit Entitlement “. The company reviews the same at each Balance Sheet date and writes down the carrying amount of the MAT credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified year.

i) Earnings Per Share

The earnings considered in ascertaining the Company’s Earnings per Share (EPS) comprises the net profit after tax (and include the post-tax effect of any extra ordinary items).The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

j) Provisions and Contingent Liabilities:

Provisions are recognized when there is a present obligation as a result of past events, the settlement of which is expected to result in an outflow of resources from the company and when a reliable estimate of the amount of obligation can be made.

Contingent liability is disclosed for:

(i) Possible obligation which will be confirmed only by the future events not wholly within the control of the company or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in recognition of income that may never be realized.

k) Service tax Input Credit:

Service Tax Input credit is accounted for in the books in the year in which the underlying service received is accounted and when there is no uncertainty in availing/ utilizing the credit.

NOTES TO FINANCIAL STATEMENTS

2.01 Share Capital

Amount in (₹)

Description	As at March 31, 2015	As at March 31, 2014
Authorised		
5,00,00,000 (March 2014 - 5, 00,00,000) Equity Shares of ₹ 10 each	**500,000,000**	500,000,000
10,00,00,000 (March 2014 - 10,00,00,000)Convertible Redeemable Cumulative Preference Shares of ₹ 10 each	**1,000,000,000**	1,000,000,000
	1,500,000,000	1,500,000,000
Issued, Subscribed and Paid-up		
3,31,04,319 (March 2014 - 3,31,04,319) Equity Shares of ₹ 10 each fully paid-up	**331,043,190**	331,043,190
	331,043,190	331,043,190

2.01(a) Reconciliation of the No. of shares outstanding:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	**Amount (₹)**	Number	Amount (₹)
At the beginning of the year	**33,104,319**	**331,043,190**	33,104,319	331,043,190
At the end of the year	**33,104,319**	**331,043,190**	33,104,319	331,043,190

2.01.(b) The company has only one class of shares - Equity shares having a par value of ₹ 10/- per each share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board is subject to approval by the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the holders of equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the share holder.

2.01.(c) Shares held by the Holding Company:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	**Amount (₹)**	Number	Amount (₹)
Tech Mahindra Limited- Holding Company along with it's nominees	**33,104,319**	**331,043,190**	33,104,319	331,043,190

2.01.(d) Details of shareholders holding more than 5% of shares in the Company:

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Tech Mahindra Ltd along with it's nominees	**33,104,319**	**100%**	33,104,319	100%

2.02 Reserves and Surplus

Amount in (₹)

	Description	As at March 31, 2015	As at March 31, 2014
(a)	**Securities Premium**		
	Opening Balance	**790,558,889**	790,558,889
	Add: Additions during the year	**-**	-
	Closing Balance	**790,558,889**	790,558,889
(b)	**Surplus / (Deficit) in Statement of Profit and Loss**		
	Opening Balance	**(1,444,144,307)**	(2,183,305,259)
	(+) Net Profit for the year	**623,857,381**	739,160,952
		(820,286,926)	(1,444,144,307)
	Total Reserves and Surplus	**(29,728,037)**	(653,585,418)

2.03 Long Term Borrowings:

Amount in (₹)

Description	Non Current		Current	
	As at March 31, 2015	As at 31 March 2014	**As at March 31, 2015**	As at 31 March, 2014
Long Term Loans from Related Parties - Tech Mahindra Ltd (Refer Note 2.03 (a)	**670,000,000**	1,620,000,000	**-**	-
Sub Total	**670,000,000**	1,620,000,000	**-**	-
Less: Disclosed under Current Liabilities			**-**	-
Total	**670,000,000**	1,620,000,000	**-**	-

2.03 (a) Long Term Loans from Related Parties are unsecured and interest free. Repayment of the said loan commenced during 2012-13 and repayable at an annual installment of ₹ 18 Crores. Annual repayment instalment effective from 2014-15 has been increased to ₹ 30 Crores, payable in two half yearly instalments of ₹15 Crores each, falling due on 30th September and 31st March.

During the period, the company has repaid an aggregate amount of ₹ 95 Crores.

2.04 Long Term Provisions

Amount in (₹)

Description	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits:-		
Provision for Gratuity	**18,818,646**	13,620,739
Provision for Leave Encashment	**4,275,826**	2,683,057
	23,094,472	16,303,796

2.05 Trade Payables Other than Acceptances

Amount in (₹)

Description	As at March 31, 2015	As at March 31, 2014
Trade Payables Other than Acceptances	**311,058,133**	141,898,637
(Includes due to Holding Company ₹ 184,962,769/- (March 2014 - ₹ 25,043,494)		
	311,058,133	141,898,637

2.06 Other Current Liabilities

Amount in (₹)

Description	As at March 31, 2015	As at March 31, 2014
Other Payables:-		
Advances from Customers	**17,708,575**	9,687,995
Other Payables	**908,839**	2,047,691
Statutory Liabilities	**18,808,837**	18,015,554
	37,426,251	29,751,240

2.07 Short term Provisions

Amount in (₹)

Description	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits:-		
Provision for Gratuity	**3,071,733**	2,263,863
Provision for Leave Encashment	**11,766,366**	9,335,739
	14,838,099	11,599,602

2.08 Fixed Assets

Amount in (₹)

DESCRIPTION	GROSS BLOCK					ACCUMULATED DEPRECIATION				NET BLOCK	
	As at Apr 01, 2014	Additions during the Period	Revaluations/ (Impairments)	Deletions	As at March 31, 2015	As at Apr 01, 2014	For the Year	On disposals	As at March 31, 2015	As at March 31, 2015	As at Mar 31, 2014
Tangible Assets			-								
Plant and Machinery											
- Computers	261,448,368	69,161,246			**330,609,614**	218,682,209	36,673,934		255,356,143	75,253,471	42,766,158
- Others	421,701,074	18,472,517			**440,173,591**	396,636,550	13,912,664		410,549,214	29,624,377	25,064,524
Office Equipments	24,504,222	5,343,314			**29,847,536**	21,005,001	1,422,168		22,427,169	7,420,367	3,499,221
	-										
Furniture, Fixtures & Interiors	32,250,545	6,715,939			**38,966,484**	29,163,656	3,041,540		32,205,196	6,761,288	3,086,889
	-										
Vehicles	1,751,000				**1,751,000**	1,751,000			1,751,000	-	-
Intangible Assets											
Software	108,215,249	26,058,121			**134,273,370**	102,320,929	7,661,757		109,982,685	24,290,685	5,894,320
Capital Work in Progress										-	622,200
TOTAL	**849,870,458**	**125,751,137**	**-**	**-**	**975,621,595**	**769,559,344**	**62,712,063**	**-**	**832,271,407**	**143,350,188**	**80,933,313**
As at March 31, 2013	806,963,639	43,588,039	-	681,220	849,870,458	725,233,930	44,705,166	379,752	769,559,344	80,933,313	81,976,676

2.09 Other Non Current Assets

Amount in (₹)

Description	As at March 31, 2015	As at March 31, 2014
Trade Receivables		
Debts outstanding for a period exceeding six months		
Unsecured, Considered doubtful	**990,462,826**	990,462,826
Less:Written off as Bad Debts	**16,541,794**	-
	973,921,032	990,462,826
Less: Provision for doubtful debts	**973,921,032**	990,462,826
	-	-
Deposits		
(i) Considered good	**15,277,995**	13,366,448
(ii) Considered doubtful	**4,930,767**	4,930,767
	20,208,762	18,297,215
Less: Provision for doubtful Deposits	**4,930,767**	4,930,767
	15,277,995	13,366,448
Advances recoverable in cash or kind or for value to be received		
(i) Considered good	**-**	-
(ii) Considered doubtful	**68,379,502**	68,379,502
	68,379,502	68,379,502
Less: Provision for doubtful advances	**68,379,502**	68,379,502
Balance with Govt.Authorities:-		
Advance tax & Tax Deducted at Source (Net of Provision for Income Tax)	**174,474,351**	171,067,345
Margin Money Accounts with more than twelve months maturity	**9,469,750**	12,704,000
Grand Total	**199,222,096**	197,137,793

2.10 Trade Receivables *

Amount in (₹)

Description	As at March 31, 2015	As at March 31, 2014
Debts outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered good	**12,593,369**	18,416,137
Unsecured, Considered doubtful	**5,151,590**	-
	17,744,959	18,416,137
Less Provision for doubtful debts	**5,151,590**	-
	12,593,369	18,416,137
Other Debts		
Unsecured, Considered good	**614,496,677**	446,190,814
Total	**627,090,046**	464,606,951

*Includes due from Holding Company - ₹ 136,692,093 (March 2014 - ₹ 167,207,138/-)

2.11 Cash and Bank Balances

Cash on hand	**30,000**	35,000
Balances with banks		
- In Current Accounts	**24,350,568**	75,245,466
- In EEFC Accounts	**10,885,818**	167,382,917
- In Deposit Accounts	**-**	62,087,642
- In Margin Money Deposits	**12,634,000**	8,030,000
	47,900,386	312,781,024

2.12 Short Term Loans and Advances

Description	As at March 31, 2015	As at March 31, 2014
		Amount in (₹)
(a) Others		
(i) Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	**37,414,820**	55,745,263
MAT Credit Receivable	**43,400,000**	145,000,000
Cenvat Credit Receivable	**11,402,608**	3,090,457
	92,217,428	203,835,719

2.13 Other Current Assets

Description	As at March 31, 2015	As at March 31, 2014
		Amount in (₹)
(i) Unbilled Revenue	**178,402,852**	157,439,315
(ii) Interest accrued	**2,704,166**	5,466,075
	181,107,018	162,905,390

2.14 Revenue from operations

Description	Year Ended 31-Mar-15	Year Ended 31-Mar-14
		Amount in (₹)
Exports	**2,110,296,725**	1,828,381,101
Domestic	**753,137,729**	733,916,180
	2,863,434,454	2,562,297,281

2.15 Other Income

Interest On Deposits	**3,317,919**	41,419,379
Interest - Others	**-**	3,750,277
Liabilities no longer required written back	**2,128,839**	26,865,874
Profit / (Loss) on sale of Fixed assets	**-**	(36,588)
Miscellaneous Income	**2,063,006**	670,050
Exchange fluctuation Gain /(Loss)	**(11,129,472)**	31,795,486
	(3,619,709)	104,464,478

2.16 Employee benefits expense

Salaries and Allowances	**1,170,128,138**	989,111,818
Contribution to Provident and Other Funds	**52,679,741**	41,609,398
Staff Welfare Expenses	**45,305,242**	50,485,678
	1,268,113,121	1,081,206,894

2.17 Other expenses

Amount in (₹)

Description	Year Ended 31-Mar-15	Year Ended 31-Mar-14
Rent	**148,234,596**	135,147,130
Rates and Taxes	**12,798,388**	9,549,492
Insurance	**2,034,545**	2,183,768
Travelling and conveyance	**101,320,229**	118,429,156
Communication	**56,016,031**	38,945,731
Power and Fuel	**25,913,713**	23,574,776
Printing and Stationery	**12,778,503**	9,987,395
Repairs and Maintenance		
- Building	**3,718,328**	1,367,201
- Machinery	**4,910,249**	952,227
- Others	**28,331,844**	25,054,717
Professional Charges	**13,933,749**	12,125,450
Auditors' Remuneration	**1,185,000**	1,260,000
Recruitment and Training	**25,858,302**	12,945,579
Software Charges	**2,667,210**	1,544,603
Subcontracting Charges	**104,039,222**	101,281,111
Security & Housekeeping	**19,139,059**	16,848,073
CSR Expenses	**13,320,000**	-
Miscellaneous Expenses	**8,329,425**	6,918,480
Bad debts written off	**16,541,794**	-
Provision for Doubtful Debts written off	**(16,541,794)**	-
Other Advances written offf	**2,854,895.86**	-
Provision for Doubtful Debts	**5,151,590**	-
	592,534,880	518,114,890

2.18 Finance Costs

LATE INTEREST CHARGES	**3,031,390**	284,945
	3,031,390	**284,945**

2.19 Commitments and Contingent Liabilities

1. Bank guarantees outstanding ₹ 22,103,750/- (March 2014 - ₹ 20,734,000)
2. Contracts pending execution on capital accounts, ₹ 36,619,077/- (March 2014– ₹ 20,867,094)
3. Service Tax matters:

Period	Amount (₹) as at March 31, 2015	Amount (₹) as at March 31, 2014	Status
Relating to 2006 – 07 to 2010 – 11	88,967,333 & Interest + Penalty: 177,205,670	88,967,333 & Interest + Penalty -165,639,917	The company appealed before the Customs Central Excise and Service Tax Appellate Tribunal (CESTAT) for staying the operation and for setting aside the said Order. The company has been granted unconditional stay in this regard.
Relating to 2011 – 12	2,757,178 & Interest + Penalty -4,246,054	2,757,178 & Interest + Penalty -3,749,762	The company paid ₹ 13,78,589 & appealed before the CESTAT for staying the operation and for setting aside the said Order.
Relating to 2012 – 13	521,086 & Interest + Penalty - 708,677	--	Out of the total Demand of ₹ 1,536,967/- Company paid ₹ 1,015,881/- along with interest For the balance ₹ 521,086/- the company filed an appeal during the year.

4. Foreign Exchange Management Act, 1999:

   There are certain uncollected dues/receivables in foreign currency which are outstanding for a long period of time for which the required permission for extension of time has not been obtained from the appropriate authorities. The company is yet to file the requisite applications to the competent authority for regularizing the same.

5. Income Tax

   Special Audits commissioned by the Assessing Officer for the financial years 2002-03 to 2010 – 11 were completed. Based on the said Special Audits, the Assessing Officer has completed the assessments / reassessments. The assessment orders issued by the Assessing Officers resulted in reducing the carry forward business loss/unabsorbed depreciation of the company from ₹ 1,979,165,483/- as per Returns to ₹ 1,005,388,613/- as per Assessments, resulting in a difference of ₹ 973,776,870/- between the assessed losses and returned losses. The company has filed the appeals before Commissioner of Income Tax (Appeals) against the said Orders. The appeals are pending disposal.

   During the year, the company has received the Assessment order u/s 143(3) for the financial year 2011-12 where in the expenses disallowed to the extent of ₹ 3,03,87,921. The company is in the process of filing the appeal against the disallowances.

   Pending final disposal of the appeals filed, the company has recognized tax liability as at March 31, 2015 considering the partial losses, as per returns filed for the respective financial years.

   The final outcome of these appeals will have an impact on set off and carry forward of losses in subsequent years together with consequent taxes thereon.

2.20 Foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars		**Year ended 31-Mar-15**			Year ended 31-Mar-14	
	Currency	**In FC**	**In INR**	Currency	In FC	In INR
Trade receivables	**AUD**	**1,093,211**	**51,950,678**	AUD	818,579	45,441,710
	CAD	**25,266**	**1,239,259**	CAD	48,418	2,674,338
	EUR	**324,742**	**21,823,630**	EUR	152,101	12,560,203
	GBP	**1,976,667**	**182,731,120**	GBP	1,120,635	111,896,869
	USD	**5,233,103**	**327,050,348**	USD	4,142,733	248,986,572
	ZAR	**448,291**	**2,294,801**			
Cash and cash equivalents	**AUD**	**37,945**	**1,803,166**	AUD	150,119	8,333,454
	EUR	**24,878**	**1,671,857**	EUR	47,136	3,892,361
	GBP	**38,042**	**3,426,114**	GBP	54,360	5,427,809
	USD	**227,157**	**14,196,173**	USD	2,737,829	164,542,992
Loans and advances	**AUD**	**103,646**	**4,925,378**	AUD	163,432	9,072,470
	EUR	**114,886**	**7,720,467**	EUR	115,930	9,573,059
	GBP	**64,445**	**5,957,462**	GBP	60,190	6,009,959
	USD	**286,229**	**17,887,856**	USD	229,264	13,778,744
Trade payables	**AUD**	**1,452,408**	**69,019,895**	AUD	150,887	8,376,044
	EUR	**4,270**	**286,948**	EUR	4,780	394,716
	GBP	**11,742**	**1,085,500**	GBP	7,338	732,698
	USD	**1,479,652**	**92,470,864**	USD	549,536	33,027,024
	ZAR	**1,194,838**	**6,116,376**	ZAR	275,701	1,552,297
Other current liabilities	**GBP**	**17,679**	**1,634,273**	GBP	8,505	849,223
	USD	**8,907**	**556,669**	USD	83,965	5,046,254

2.21 Gratuity Plan

The following table set forth the status of Gratuity plan of the Company and the amounts recognized in the Balance sheet and Profit and Loss account.

Amount in (₹)

Particulars	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
Projected Opening Defined Benefit Obligation at the Beginning of the Year	**15,884,602**	13,547,027
Current Service Cost	**2,454,834**	3,254,317
Interest Cost	**1,309,373**	963,262
Actuarial Losses/(Gain)	**3,434,012**	514,998
Past Service Cost	**-**	-
Benefits Paid	**(2,010,720)**	(2,395,003)
Projected benefit obligation at the end of the year	**20,121,934**	15,884,602
Amounts Recognized in the Balance sheet		
Projected benefit obligation at the end of the year	**21,890,379**	15,884,602
Fair Value of plan Assets at the end of the year	**-**	-
Funded Status of the plans – (assets)/liabilities	**-**	-
Liability Recognized in the Balance Sheet	**21,890,379**	15,884,602

Gratuity Cost for the period

Particulars	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
Current Service Cost	**3,273,112**	2,922,672
Interest Cost	**1,309,373**	1,139,995
Past Service Cost	**-**	-
Net Actuarial Losses / (Gain) recognized	**3,434,012**	317,562
Net Gratuity Cost	**8,016,497**	4,380,229

Assumptions

Description	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
Discount Rate (P.A)	**7.80%**	8.80%
Salary Escalation Rate (P.A)	**9.00%**	9.00%

Experience History

Particulars	Year Ended 31-03-2011	31-03-2012	31-03-2013	31-03-2014	31-03-2015
Defined benefit obligation at the end of the period	(9,820,640)	(12,156,199)	(13,547,027)	(15,884,602)	**(21,890,379)**
Plan assets at the end of the period	-	-	-	-	**-**
Funded status	(9,820,640)	(12,156,199)	(13,547,027)	(15,884,602)	**(21,890,379)**
Experience Gain/ (Loss) adjustments on plan liabilities	(1,245,466)	(1,326,078)	885,818	(727,990)	**(2,047,326)**
Experience Gain/ (Loss) adjustments on plan assets	-	-	-	-	**-**
Actuarial Gain / (Loss) due to change on assumptions	-	-	-	212,992	**(1,386,686)**

Description	Year Ended 31-Mar-2015	Year Ended 31-Mar-2014
Gratuity –		
Current	**3,071,733**	2,263,863
Non Current	**18,818,646**	13,620,739
Leave encashment –		
Current	**11,766,366**	9,335,739
Non current	**4,275,826**	2,683,057

2.22 Segment Information

A) Business Segment : The Company has only one primary business segment, viz. business process management, transitioning services and customer contract services.

B) Geographic Segment

Revenue attributable to location of customers is as follows:

Amount in (₹)

Geographic location	**Year ended March 31, 2015**	Year ended March 31, 2014
North America	**1,720,412,985**	1,690,107,703
Europe	**628,492,253**	467,052,392
India	**226,217,956**	120,251,014
Others	**288,311,262**	284,886,172
Total	**2,863,434,455**	2,562,297,281

Segment assets based on their location are as follows:

Amount in (₹)

Geographic location	**Segment Assets**	**Additions to Fixed Assets**	Segment Assets	Additions to Fixed Assets
	As at March 31, 2015	**Year Ended March 31, 2015**	As at March 31, 2014	Year Ended March 31, 2014
North America	**461,665,015**	**47,735**	370,151,938	2,801,450
Europe	**222,315,699**	**-**	175,821,470	
India	**606,491,138**	**125,703,402**	817,466,253	40,786,590
Others	**67,260,256**	**-**	52,827,217	
Total	**1,357,732,109**	**125,751,137**	1,416,266,878	43,588,040

2.23 Related Party Transactions

The Company has transactions with the following related parties:

Holding Company - Tech Mahindra Limited

Associate Company
Satyam Venture Engineering Services Pvt. Ltd.
Tech Mahindra Americas Inc.

Fellow Subsidiary –
- New Vc Services Pvt. Ltd.
- Tech Mahindra Foundation

Key Management Personnel:
- Mr. Sujit Baksi (Whole Time Director)
- Mr. Uttiya Sen Gupta (CFO)
- Mrs. Sirisha Sankara (Company Secretary)

Summary of Transactions with the above related parties is as follows:
** To Mr. Uttiya Sengupta
* To Mr. Vijay Rangineni, ** To Uttiya Sen Gupta, (CFO)*** Amount paid to Tech M Foundation

Amount in (₹)

Description	**Balances as at March 31, 2015**				Balances as at March 31, 20 14			
	Holding Company	**Associate Company**	**Fellow Subsidiary**	**Key Management Personnel**	Holding Company	Associate Company	Fellow Subsidiary	Key Management Personnel
Receivables	**136,692,093**	**7,332,976**	**-**	**-**	167,207,138	-	-	-
Payables	**184,962,769**	**25,934,343**	**590,826**	**-**	25,043,404	-	557,880	-
Unsecured Loans	**6,700,00,000**	**-**	**-**	**-**	162,00,00,000	-	-	-

2.24 Leases

Amount in (₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Lease Rentals	**148,234,596**	135,147,130

Obligation on Long term non-cancellable operating Leases

The company has entered into operating lease agreements for its development centers at offshore for a period of 3 years. The Lease rentals charged during the year and maximum obligation on long- term Non - Cancelable operating leases payable as per the respective agreement are as follows

Amount in (₹)

Obligation on non-cancellable lease (other than with Holding Company)	As at March 31,2015	As at March 31,2014
Not later than one year	**8,953,260**	8,953,260
Later than one year and not later than Five years	**--**	--
Later than Five years	**--**	--
Total	**8,953,260**	8,953,260

2.25 Earnings per Share:

Amount in (₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Opening & Closing number of shares	**33,104,319**	33,104,319
Weighted average number of Shares	**33,104,319**	33,104,319
Share Application Money (No of Shares)	**–**	–
Net Profit /(Loss) after Taxation	**623,857,381**	739,160,952
Net Profit/(Loss) attributable to Equity Shareholders	**623,857,381**	739,160,952
Earnings per share of face value of ₹ 10 – Basic and Diluted	**18.85**	22.33

2.26 Deferred Tax Asset:

Particulars	As at March 31, 2015	As at March 31, 2014
Provisions for gratuity and leave encashment	**12,893,281**	9,484,365
Depreciation	**53,951,665**	65,326,491
Unabsorbed Depreciation/Losses	**-**	-
Total	**66,844,946**	74,810,856

2.27 The company has not received any information from its vendors regarding applicability of provisions relating to Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the Company, the details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

Particulars	As At March 31, 2015	As At March 31, 2014
Principal amount due and remaining unpaid	**-**	-
Interest due on above and the unpaid interest	**-**	-
Interest paid	**-**	-
Payment made beyond the appointed day during the year	**-**	-
Interest due and payable for the period of delay	**-**	-
Interest accrued and remaining unpaid	**-**	-
Amount of further interest remaining due and payable in succeeding years	**-**	-

2.28 Earnings in foreign exchange:

Earnings in foreign exchange (on Accrual basis)

Amount in (₹)

Particulars	**Year ended March 31, 2015**	Year ended March 31, 2014
Income from Services	**2,700,487,779**	2,330,463,247

2.29 CIF value of imports, Capital Goods, Others.

Amount in (₹)

Particulars	**Year ended March 31, 2015**	Year ended March 31, 2014
Capital Goods	**73,688,113**	36,397,000

2.30 Expenditure in foreign currency (on Accrual basis)

Amount in (₹)

Particulars	**Year ended March 31, 2015**	Year ended March 31, 2014
Expenditure	**401,359,378**	350,245,420

2.31 Remuneration to the Auditors

Amount in (₹)

Particulars	**Year ended March 31, 2015**	Year ended March 31, 2014
Statutory Audit	**10,25,000**	10,25,000
Tax Audit	**1,00,000**	100,000
Certification and Other Matters	**60,000**	135,000
Total	**11,85,000**	12,60,000

2.32 Other Information

The Company is engaged in business processes management, transitioning services and customer contact services. The nature of such services cannot be expressed in generic units. Hence, the quantitative details of sales and certain information as required under paragraphs 5(viii)(c) of general instructions for preparation of the Statement of Profit and Loss as per Schedule III to the Act has not been given.

2.33 Reclassification

Figures for the previous year has been regrouped and rearranged to conform to the current year classification wherever necessary.

for M. Bhaskara Rao & Co.,
Chartered Accountants
V. K. Muralidhar
Partner

S. Sirisha
Company Secretary
Place: Hyderabad
Date: 27.04.2015

J Venkateswaralu
Director
Subramanyam Reddy Chelikam
Director
Vijay Rangineni
Senior Vice President

Sujit Baksi
Whole-time Director
Shivanand Raja
Director
Hari T
Director
Uttiya Sengupta
Chief Financial Officer

TECH MAHINDRA ICT SERVICES (MALAYSIA) SDN. BHD.

Board of Directors

Mr. Rohit Gandhi
Mr. Manoj Joshi
Mr. Krishnadas Chillara
Mr. Chong Li Khuen
Mr. Sabrina Ong Lee Leigh

Registered Office

35-3, Jalan SS 15/8A, 47500
Subang Jaya, Selangor Darul Ehsan,
Malaysia

Bankers

HSBC Bank Malaysia Berhad

Auditors

NEXIA SSY Chartered Accountants

DIRECTORS' REPORT

For The year ended 31 March 2015

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 March 2015.

Principal activities

The principal activities of the Company are to act as developer, advisor, consultants and implementer of software systems relating to information technology and electronic services including application and programming services, administration and management control, technical, scientific and operational assistance, systems design, project management training and support of personnel, management of service facility and generally, any type of business in connection therein.

There have been no significant changes in the nature of these activities during the financial year.

Financial results

	RM
Profit for the year	5,841,412

Dividends

No dividends were paid, declared or proposed since the end of the previous financial period. The Directors do not recommend the payment of any dividends for the financial year ended 31 March 2015.

Reserves and provisions

All material transfers to or from reserves or provisions during the financial have been disclosed in the financial statements.

Issue of shares and debentures

There were no issue of shares or debentures by the Company during the financial year.

Directors

The Directors of the Company who held office since the date of the last report are as follows:

Krishnadas Chillara
Rohit Gandhi
Chong Li Khuen
Sabrina Ong Lee Leigh
Manoj Shrikrishna Joshi (Appointed w.e.f. 26 March 2015)
Milind Vasant Kulkarni (Resigned w.e.f. 26 March 2015)

Retirement and re-election of the Directors at the Annual General Meeting will be in accordance with the Company's Articles of Association.

Directors' interests

According to the Register of Directors' shareholdings, particulars of interests in the shares of the Company's related corporations during the financial of those Directors who held office at the end of the financial were as follows:

	Number of ordinary shares of RM1 each in the Company			
	At 1.4.2014	**Bought**	**Sold**	**At 31.3.2015**
Shareholdings in the name of the Directors:				
Krishnadas Chillara	-	-	-	-
Rohit Gandhi	-	-	-	-
Chong Li Khuen	-	-	-	-
Sabrina Ong Lee Leigh	-	-	-	-
Manoj Shrikrishna Joshi	-	-	-	-

Directors' benefits

Since the end of the previous financial period, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount to which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) no contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Directors, would affect substantially the results of the operations of the Company for the financial year in which this report is made; and

(b) no charge has arisen on the assets of the Company which secures the liability of any other person nor has any contingent liability arisen in the Company.

Holding corporations

The Directors regard Tech Mahindra Limited, a company incorporated in India, as the immediate holding corporation, and Mahindra & Mahindra Ltd, a corporation incorporated in India, as the ultimate holding corporation.

Auditors

The auditors, Messrs Nexia SSY, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 April, 2015.

Manoj Shrikrishna Joshi	**Rohit Gandhi**
Director	Director
Pune, India	

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act 1965

We, Manoj Shrikrishna Joshi and Rohit Gandhi, being two of the Directors of Tech Mahindra ICT Services Malaysia Sdn. Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages herein are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Company Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31st March, 2015 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 April, 2015.

Manoj Shrikrishna Joshi
Director

Rohit Gandhi
Director

Pune, India

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act 1965

I, Manoj Shrikrishna Joshi, being the Director primarily responsible for the financial management of Tech Mahindra ICT Services (Malaysia) Sdn. Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages herein are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the India Notary Act 1952.

Subscribed and solemnly declared by
the above named Manoj Shrikrishna Joshi
at Pune on 30 April, 2015

Manoj Shrikrishna Joshi
Director

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report to the Members of
Tech Mahindra ICT Services (Malaysia) Sdn. Bhd.
(Company No: 1067223-P)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Tech Mahindra ICT Services (Malaysia) Sdn. Bhd., which comprise the statement of financial position as at 31st March, 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows, and a summary of significant accounting policies and other explanatory information, as set out on pages herein.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015 and of its their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the Members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Nexia SSY	**Jason Sia Sze Wan**
AF: 2009	No. 2376/05/16 (J)
Chartered Accountants	Partner

Subang Jaya
30 April, 2015

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	2015 RM	2014 RM
ASSETS			
Non-current assets			
Equipment	6	**873,348**	814,224
Deferred taxation	7	-	351,010
		873,348	1,165,234
Current assets			
Trade and other receivables	8	**9,026,158**	381,102
Amount due from immediate holding corporation	9	**3,995,896**	4,276,199
Cash and bank balances		**699,274**	3,875,163
		13,721,328	8,532,464
TOTAL ASSETS		**14,594,676**	9,697,698
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	10	**654,000**	654,000
Retained earnings		**6,457,278**	615,866
TOTAL EQUITY		**7,111,278**	1,269,866
Non-current liabilities			
Other payables	11	**474,040**	797,300
		474,040	797,300
Current liabilities			
Trade payables	12	**4,132,613**	2,369,592
Other payables and accruals	11	**2,709,740**	2,133,226
Amount due to affiliated corporation	13	**-**	2,500,000
Provision for taxation		**167,005**	627,714
		7,009,358	7,630,532
TOTAL LIABILITIES		**7,483,398**	8,427,832
TOTAL EQUITY AND LIABILITIES		**14,594,676**	9,697,698

The accompanying notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Note	**Financial year from 1.4.2014 to 31.3.2015**	Financial period from 22.10.2013 to 31.3.2014
		RM	RM
Revenue		**57,897,207**	15,806,583
Cost of services		**(37,868,680)**	(11,928,248)
Gross profit		**20,028,527**	3,878,335
Other income		**7,976**	995
Administrative expenses		**(13,998,645)**	(2,960,416)
Finance costs		**(17,500)**	(26,344)
Profit before taxation	14	**6,020,358**	892,570
Taxation	16	**(178,946)**	(276,704)
Profit for the year/period		**5,841,412**	615,866

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Note	Share capital RM	Retained earnings RM	Total RM
At 1 April 2014		**654,000**	**615,866**	**1,269,866**
Profit for the year		**-**	**5,841,412**	**5,841,412**
At 31 March 2015		**654,000**	**6,457,278**	**7,111,278**
At 22 October 2013 (date of incorporation)		2	-	2
Issue of shares	10	653,998	-	653,998
Profit for the period		-	615,866	615,866
At 31 March 2014		654,000	615,866	1,269,866

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	Financial year from 1.4.2014 to 31.3.2015	Financial period from 22.10.2013 to 31.3.2014
	RM	RM
Cash flows from operating activities		
Profit before taxation	**6,020,358**	892,570
Adjustments for:		
Depreciation of equipment	**799,110**	97,141
Net unrealised foreign exchange loss/(gain)	**45,584**	(995)
Operating profit before working capital changes	**6,865,052**	988,716
Decrease/(increase) in amount due from immediate holding corporation	**280,303**	(4,276,199)
Increase in trade and other receivables	**(8,650,040)**	(381,102)
Increase in trade payables	**1,723,175**	2,369,592
Increase in other payables	**236,326**	2,931,521
(Decrease)/increase in amount due to affiliated corporation	**(2,500,000)**	2,500,000
Cash (used in)/generated from operations	**(2,045,184)**	4,132,528
Tax paid	**(288,645)**	-
Net cash (used in)/generated from operating activities	**(2,333,829)**	4,132,528
Cash flows from investing activities		
Purchase of plant and equipment	**(858,234)**	(911,365)
Net cash used in from investing activities	**(858,234)**	(911,365)
Cash flows from financing activities		
Proceeds from issuance of shares	**-**	653,998
Net cash used in financing activities	**-**	653,998
Net (decrease)/increase in cash and cash equivalents	**(3,175,889)**	3,875,161
Cash and cash equivalents at beginning of the year/period	**3,875,163**	2
Effect of foreign currency translation differences	**16,174**	-
Cash and cash equivalents at end of the year	**699,274**	3,875,163
Cash and cash equivalents comprise:		
Cash at bank	**699,274**	3,875,163

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

1. Corporate information

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 35-3, Jalan SS 15/8A, 47500 Subang Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Malaysia Global Solution Centre, Persiaran APEC, 63000 Cyberjaya, Selangor.

The principal activities of the Company are to act as developer, advisor, consultants and implementer of software systems relating to information technology and electronic services including application and programming services, administration and management control, technical, scientific and operational assistance, systems design, project management training and support of personnel, management of service facility and generally, any type of business in connection therein. There have been no significant changes in the nature of these activities during the financial year.

The number of employees in the Company at the end of the financial year was 575 (2014: 446).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 30 April, 2015

2. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies (Note 3).

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM).

3. Significant accounting policies

All significant accounting policies set out below are consistent with those applied in the previous financial year.

(a) Equipment and depreciation

All items of equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the and the cost of the item can be measured reliably. Repairs and maintenance are charged to profit or loss as incurred. Subsequent to recognition, equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful lives, at the following annual rates:

Office equipment	5 years
Computer	3 years
Plant and machinery	3 to 5 years
Lease improvement	Lease period
Fixtures and fittings	5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of equipment.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss in the year the equipment is recognised.

(b) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts on a review of all outstanding amounts at the financial year end.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

(d) Payables

Payables are stated at cost, which is the fair value of the consideration to be paid in the future for goods and services received.

(e) Revenue recognition

Revenue from service income is recognised upon delivery of goods and customer acceptances if any, or performance of services.

(f) Impairment of assets

The carrying amounts of assets, other than investment property, construction contract assets, property development costs, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each financial year end to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

(g) Financial instruments

Financial assets

Financial assets are recognised in the statements of financial position when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting.

On initial recognition, financial assets are measured at fair value, plus transaction costs for financial assets not at 'fair value through profit or loss'. Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets or a shorter period to the net carrying amount of the financial assets.

After initial recognition, financial assets are classified into one of four categories: financial assets at 'fair value through profit or loss', 'held-to-maturity' investments, loans and receivables and 'available-for-sale' financial assets.

i Financial assets at 'fair value through profit or loss'

Financial assets are classified as financial assets at 'fair value through profit or loss' when the financial assets are either 'held for trading', or upon initial recognition, financial assets are designated as financial assets at 'fair value through profit or loss'.

A financial asset is classified as 'held for trading' if:

- it is acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated as an effective hedging instrument.

Financial assets (other than 'held for trading') are designated as financial assets at 'fair value through profit or loss' upon initial recognition if:

- it eliminates or significant reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or recognising the gains and losses on them on different bases; or

- a group of financial assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- a contract contains one or more embedded derivatives, the entire hybrid contracts are designated as financial assets at 'fair value through profit or loss'

After initial recognition, financial assets at 'fair value through profit or loss' are measured at fair value. Gains or losses on the financial assets at 'fair value through profit or loss' are recognised in profit or loss.

ii 'Held-to-maturity' investments

'Held-to-maturity' investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that and the Company have the positive intention and ability to hold to maturity.

After initial recognition, 'held-to-maturity' investments are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when 'held-to-maturity' investments are derecognised or impaired.

iii Loans and receivables

Loans and receivables are non-derivative financial assets (such as trade receivables, loans assets, unquoted debt instruments and deposits held in banks) with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when loans and receivables are derecognised or impaired.

iv 'Available-for-sale' financial assets

Investment in quoted equity and debt instruments that are traded in active market and certain unquoted equity instruments (when the fair value can be determined using a valuation technique) are classified as 'available-for-sale' financial assets. 'Available-for-sale' financial assets are measured at fair value.

Gains or losses on 'available-for-sale' financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains or losses, until the 'available-for-sale' financial assets are derecognised. The cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment when the financial assets is derecognised.

Interest calculated using the effective interest method is recognised in profit or loss. Dividends on 'available-for-sale' equity instruments are recognised in profit or loss when the Company's right to receive payment is established.

v Investment in unquoted equity instruments carried at cost

Investment in equity instruments which do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such an unquoted equity instruments, are measured at cost less any accumulated impairment losses.

vi Impairment of financial assets

At the end of each reporting period, the Company assess whether there is any objective evidence that financial assets held, other than financial assets at 'fair value through profit or loss', are impaired. Financial assets are impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial assets which have an impact on the estimated future cash flows of the financial assets that can be reliably measured.

For investment in equity instruments classified as 'available-for-sale'financial assets, objective evidence that the financial assets are impaired include the disappearance of an active trading market for the financial assets because of significant financial difficulties, and a significant and/or prolonged decline of the market price below the cost.

For other financial assets, objective evidence could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or

- it becoming probable that the borrower will enter bankruptcy or other financial re-organisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

Impairment losses, in respect of 'held-to-maturity' investments carried at amortised cost are measured as the differences between the assets' carrying

amounts and the present values of their estimated future cash flows discounted at the 'held-to-maturity' investments' original effective interest rate.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account and when these becomes uncollectible. Any impairment loss is recognised in profit or loss immediately. If, in later periods, the amount of any impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

If there is objective evidence that impairment losses have been incurred on financial assets carried at cost, the amount of any impairment loss is measured as the differences between the carrying amounts of the financial assets and the present value of their estimated future cash flows discounted at the current market rate of return for a similar financial assets. Such impairment losses are not reversed.

For 'available-for-sale' financial assets, if a decline in fair value has been recognised in other comprehensive income and there is objective evidence that the assets are impaired, the cumulative losses that have been recognised are reclassified to profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as 'available-for-sale' financial assets are not reversed through profit or loss. If the fair value of a debt instrument classified as an 'available-for-sale' financial asset subsequently increases, and the increase can be objectively related to an event occurring after the impairment losses were recognised in profit or loss, the impairment losses are reversed and recognised in profit or loss.

vii Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the Company transfer the financial assets and the transfers qualifies for derecognition.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income are recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised on the statements of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, financial liabilities are measured at fair value, plus transaction costs for financial liabilities not at 'fair value through profit or loss'. After initial recognition, financial liabilities are either classified as at 'fair value through profit or loss' or amortised cost using the effective interest method.

i Financial liabilities at 'fair value through profit or loss'

Financial liabilities are classified as financial liabilities at 'fair value through profit or loss' when the financial liabilities are either 'held for trading' or upon initial recognition, the financial liabilities are designated as financial liabilities at 'fair value through profit or loss'.

A financial liability is classified as 'held for trading' if:

- it is incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective hedging instrument.

Financial liabilities (other than 'held for trading') are designated as financial liabilities at 'fair value through profit or loss' upon initial recognition if:

- it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring liabilities or recognising the gains and losses on them on different bases; or
- a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- a contract contains one or more embedded derivatives, the entire hybrid contracts are designated as financial liabilities at 'fair value through profit or loss'.

After initial recognition, financial liabilities at 'fair value through profit or loss' are measured at fair value. Gains or losses on the financial liabilities at 'fair value through profit or loss' are recognised in profit or loss.

ii Financial liabilities at amortised cost using the effective interest method

Effective interest method is a method of calculating the amortised cost of financial liabilities and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts.

Estimate future cash payments through the expected life of the financial liabilities or a shorter period to the net carrying amount of the financial liabilities. After initial recognition, financial liabilities other than financial liabilities at 'fair value through profit or loss' are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

iii Derecognition of financial liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of financial liabilities derecognised and the consideration paid is recognised in profit or loss.

(h) Equity instruments

Ordinary shares are classified as equity.

(i) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the financial year end.

Deferred tax is provided for, using the liability method, on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be recognize. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the assets is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end. Deferred tax is recognized in profit or loss, except when it arises from a transaction which is recognized directly in equity, in which case the deferred tax is also charged or credited directly in equity.

(j) Foreign currencies

i Functional and presentation currency

The individual financial statement of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statement are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

ii **Foreign currency transactions**

Foreign currency transactions in the Company are accounted for at exchange rates prevailing at the transactions dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

The principal closing rates used in translation of foreign currency amounts are as follows:

	2015	2014
	RM	RM
1 United States Dollar (USD)	**3.7052**	3.2736
1 Singapore Dollar (SGD)	**2.6954**	-
1 Indian Rupee (INR)	**0.0593**	-
1 Euro (EUR)	**3.9842**	-
1 Australian Dollar (AUD)	**2.8174**	-

4. Adoption of new and revised Malaysian Financial Reporting Standards and interpretations

MFRSs that have been issued but not effective

The following revised MFRSs issued by MASB, effective for financial periods beginning on or after 1 July 2014, have not been adopted, and the adoptions are not expected to have any significant impact on the financial statements:

Amendments to MFRS 2:	Share-based Payment
Amendments to MFRS 3:	Business Combinations
Amendments to MFRS 8:	Operating Segments
Amendments to MFRS 13:	Fair Value Measurement
Amendments to MFRS 116:	Property, Plant and Equipment
Amendments to MFRS 119:	Employee Benefits
Amendments to MFRS 124:	Related Party Disclosures
Amendments to MFRS 138:	Intangible Assets
Amendments to MFRS 140:	Investment Property

The following new and revised MFRSs issued by MASB, effective for financial periods beginning on or after 1 January 2016, have not been adopted, and the adoptions are not expected to have any significant impact on the financial statements:

MFRS 14:	Regulatory Deferral Accounts
Amendments to MFRS 5:	Non-current Assets Held for Sale and Discontinued Operations
Amendments to MFRS 7:	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10:	Consolidated Financial Statements
Amendments to MFRS 11:	Joint Arrangements
Amendments to MFRS 116:	Property, Plant and Equipment
Amendments to MFRS 119:	Employee Benefits
Amendments to MFRS 127:	Separate Financial Statements
Amendments to MFRS 128:	Investment in Associates and Joint Ventures
Amendments to MFRS 134:	Interim Financial Reporting
Amendments to MFRS 138:	Intangible Assets
Amendments to MFRS 141:	Agriculture

The following new MFRS issued by MASB, effective for financial periods beginning on or after 1 January 2017, has not been adopted, and the adoptions are not expected to have any significant impact on the financial statements:

MFRS 15:	Revenue from Contracts with Customers

The following new MFRS issued by MASB, effective for financial periods beginning on or after 1 January 2018, has not been adopted, and the adoptions are not expected to have any or significant impact on the financial statements:

MFRS 9:	Financial Instruments

MFRS 9 requires all recognised financial assets that are within the scope of MFRS 139 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

The most significant effect of MFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at 'fair value through profit or loss') attributable to changes in the credit risk of that liability. Specifically, under MFRS 9, for financial liabilities that are designated as at 'fair value through profit or loss', the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

5. Significant accounting estimates

Key Sources of Estimation Uncertainty

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Depreciation of equipment

The Company depreciates the equipment over their estimated useful lives and after taking into account their estimated residual values, using the straight line method. The estimated useful lives applied by the Company as disclosed in Note 3(a) reflect the Directors' estimates of the period that the Company expects to derive future economic benefits from the use of the Company' equipment.

(b) Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. Equipment

	Office equipment	Computer	Plant and equipment	Lease improvement	Furniture and fixtures	Total
	RM	RM	RM	RM	RM	RM
Carrying amount						
At 1 April 2014	**39,364**	**219,484**	**336,182**	**218,709**	**485**	**814,224**
Additions	**93,923**	**555,257**	**171,054**	**-**	**38,000**	**858,234**
Depreciation charge	**(22,262)**	**(283,219)**	**(283,487)**	**(204,591)**	**(5,551)**	**(799,110)**
At 31 March 2015	**111,025**	**491,522**	**223,749**	**14,118**	**32,934**	**873,348**
At 31 March 2015						
Cost	**134,455**	**788,983**	**551,785**	**255,783**	**38,593**	**1,769,599**
Accumulated depreciation	**(23,430)**	**(297,461)**	**(328,036)**	**(241,665)**	**(5,659)**	**(896,251)**
Carrying amount	**111,025**	**491,522**	**223,749**	**14,118**	**32,934**	**873,348**
At 31 March 2014						
Cost	40,532	233,726	380,731	255,783	593	911,365
Accumulated depreciation	(1,168)	(14,242)	(44,549)	(37,074)	(108)	(97,141)
Carrying amount	39,364	219,484	336,182	218,709	485	814,224
Depreciation – 2014	1,168	14,242	44,459	37,074	108	97,141

7. Deferred taxation

	2015 RM	2014 RM
At beginning of the year	**351,010**	-
Recognised in income statement	**(351,010)**	351,010
	-	351,010

8. Trade and other receivables

	2015 RM	2014 RM
Trade receivables		
affiliated corporations	**7,936**	-
external	**6,342,987**	-
	6,350,923	-
Unbilled revenue	**1,970,464**	60,600
Staff loan and advances	**676,617**	320,502
Other receivables	**28,154**	-
	9,026,158	381,102

Unbilled revenue represent invoices not issued to customers of which goods and/or services sold have been completed and have been included under trade payables.

The currency exposure profile of trade receivables of the Company is as follows:

	2015 RM	2014 RM
Ringgit Malaysia	**8,452,946**	381,102
Australian Dollar	**179,351**	-
Euro	**385,925**	-
United States Dollar	**7,936**	-
	9,026,158	381,102

The ageing analysis of the trade receivables is as follows:

	2015 RM	2014 RM
Neither past due nor impaired	**1,847,241**	-
Past due, not impaired		
- 1 to 30 days past due, not impaired	**1,006,247**	-
- 31 to 60 days past due, not impaired	**657,354**	-
- 61 to 90 days past due, not impaired	**1,888,997**	-
- 91 to 120 days past due, not impaired	**154,308**	-
- more than 120 days past due, not impaired	**796,776**	-
	4,503,682	-
Impaired	**-**	-
	6,350,923	-

The balance of receivables that are past due but not impaired are unsecured in nature. The management is confident that the remaining receivables are recoverable as these accounts are still active.

9. Amount due from immediate holding corporation

The Directors regard Tech Mahindra Limited, a corporation incorporated in India as the immediate holding corporation.

Amount due from immediate holding corporation is unsecured, interest free and repayable upon demand.

10. Share capital

	2015	2014	**2015**	2014
	Unit	Unit	**RM**	RM
Authorised ordinary shares of RM1 each				
At beginning/end of the year/period	**1,000,000**	1,000,000	**1,000,000**	1,000,000
Issued and fully paid ordinary shares RM1 each				
At beginning of the year/period	**654,000**	2	**654,000**	2
Issued during the year/period	**-**	653,998	**-**	653,998
At end of the year/period	**654,000**	654,000	**654,000**	654,000

11. Other payables and accruals

	2015	2014
	RM	RM
Current		
Other payables	**543,570**	463,480
Provision for expenses	**1,725,890**	1,119,416
Provision for leave encashment	**440,280**	550,330
	2,709,740	2,133,226
Non-current liabilities		
Provision for leave encashment	**474,040**	797,300

The currency exposure profile of other payables is as follows:

	2015	2014
	RM	RM
Ringgit Malaysia	**2,965,527**	2,817,637
United States Dollar	**218,253**	112,889
	3,183,780	2,930,526

12 Trade payables

	2015	2014
	RM	RM
Amount due to immediate holding/affiliated corporations:		
Tech Mahindra Limited	**3,573,016**	2,343,248
Tech Mahindra (Malaysia) Sdn. Bhd.	**65,925**	26,344
Tech Mahindra (Singapore) Pte. Ltd.	**21,358**	-
	3,660,299	2,369,592
External	**472,314**	-
	4,132,613	2,369,592

Amount due to related corporation is unsecured, interest free and repayable upon demand.

The currency exposure profile of trade payables of the Company is as follows:

	2015	2014
	RM	RM
Ringgit Malaysia	**3,665,875**	2,369,592
Singapore Dollar	**21,358**	-
Indian Rupee	**1,368**	-
United States Dollar	**444,012**	-
	4,132,613	2,369,592

13. Amount due to affiliated corporation

Amount due to affiliated corporation, Tech Mahindra (Malaysia) Sdn. Bhd. consists of inter corporate deposit with fixed interest of 4% per annum, which is unsecured and repayable within 6 months. This inter corporate deposit was fully settled during the quarter ended 30 June 2014.

14. Profit before taxation

	Financial year from 1.4.2014 to 31.3.2015	Financial period from 22.10.2013 to 31.3.2014
	RM	RM
Profit before taxation is arrived at after charging:		
Auditors' remuneration	**51,000**	10,500
Depreciation of equipment	**799,110**	97,141
Realised foreign exchange loss	**486,569**	6,145
Unrealised foreign exchange loss	**45,584**	-
Staff costs (Note 15)	**37,769,404**	11,928,248
Finance costs	**17,500**	26,344
and crediting:		
Unrealised foreign exchange gain	**-**	995

15. Staff costs

	Financial year from 1.4.2014 to 31.3.2015	Financial period from 22.10.2013 to 31.3.2014
	RM	RM
Salaries and incentives	**32,745,926**	9,271,672
Contribution to provident and other funds	**2,816,788**	817,336
Social security contributions	**237,937**	88,600
Other staff related expenses	**1,968,753**	1,750,640
	37,769,404	11,928,248

16. Taxation

	Financial year from 1.4.2014 to 31.3.2015	Financial period from 22.10.2013 to 31.3.2014
	RM	RM
Malaysian income tax		
Current year/period	**167,005**	627,714
Over provision in prior year	**(339,069)**	-
	(172,064)	627,714
Deferred taxation		
Relating to originating temporary differences (Note 7)	**351,010**	(351,010)
	178,946	276,704

The reconciliation of income tax expense applicable to the results of the Company at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	Financial year from 1.4.2014 to 31.3.2015	Financial period from 22.10.2013 to 31.3.2014
	RM	RM
Profit before taxation	**6,020,358**	892,570
Tax at Malaysian statutory tax rate of 25%	**1,505,090**	223,143
Tax effects of expenses not deductible for tax purposes	**333,702**	53,561
Exempt income	**(2,010,856)**	-
Reversal of deferred tax assets not recognised in the	**351,010**	-
previous financial year due to pioneer status	**178,946**	276,704

The Company was awarded MSC Malaysia Status and is eligible for income tax exemption on statutory income from 31 May 2014 to 30 May 2019.

17. Significant related party transactions

The Company has transactions with its related corporations and the financial statements reflect the effects of these transactions on the basis agreed upon between the Company and its related corporations which basis might be different from the transactions with unrelated parties.

Significant transactions with related corporations during the year consists of:

	Financial year from 1.4.2014 to 31.3.2015	Financial period from 22.10.2013 to 31.3.2014
	RM	RM
Revenue		
Service income charged to immediate holding corporation	**44,892,788**	15,745,983
Inter corporate deposits received from an affiliated corporation	**-**	2,500,000
Expenses		
Interest charged by affiliated corporation, Tech Mahindra (Malaysia) Sdn. Bhd.	**17,500**	26,344

	Financial year from 1.4.2014 to 31.3.2015	Financial period from 22.10.2013 to 31.3.2014
	RM	RM
Reimbursement of expenses		
Charged to/(by) affiliated corporations:		
Tech Mahindra (Americas) Inc.	**7,936**	-
Tech Mahindra (Singapore) Pte. Ltd.	**(21,358)**	-
Tech Mahindra (Malaysia) Sdn. Bhd.	**(65,925)**	-
Tech Mahindra (Malaysia) Sdn. Bhd.	**202,959**	-
Charged by immediate holding corporation	**(1,229,768)**	(2,343,248)

Additional information

i. **Analysis of movement of amount due from/(to) immediate holding corporation**

At 1 April 2014 / 22 October 2013	**1,932,951**	
Service income charges	**44,892,788**	15,745,983
Receipts	**(45,173,091)**	(11,469,784)
Reimbursement of expenses	**(1,229,768)**	(2,343,248)
At 31 March 2015 / 31 March 2014	**422,880**	1,932,951

ii. **Analysis of movement of amount due from/(to) affiliated corporations**

At 1 April 2014 / 22 October 2013	**2,526,344**	-
Inter corporate deposit (Note 13)	**(2,500,000)**	2,500,000
Other reimbursements (net)	**(105,691)**	26,344
At 31 March 2015 / 31 March 2014	**(79,347)**	2,526,344

18. Fair values of the financial instruments

The fair values of the financial instruments of the Company as at 31 March 2015 are not materially different from their carrying values.

19. Financial risk management policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Credit risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. An internal credit review is conducted if the credit risk is material.

(b) Foreign currency risk

The Company is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is mainly Euro (EUR) and United States Dollar (USD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Foreign currency risk sensitivity analysis

The sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period with all other variables held constant is as follows:

	Increase/ (decrease) in the Company's results 2015 RM	Increase/ (decrease) in the Company's results 2014 RM
Effects on profit before taxation:		
USD/RM		
- strengthened by 5% (2014: 5%)	**(32,716)**	(5,640)
- weakened by 5% (2014: 5%)	**32,716**	5,640
EUR		
- strengthened by 5%	**19,496**	-
- weakened by 5%	**(19,496)**	-
AUD		
- strengthened by 5%	**8,968**	-
- weakened by 5%	**(8,968)**	-
SGD		
- strengthened by 5%	**(1,068)**	-
- weakened by 5%	**1,068**	-
INR		
- strengthened by 5%	**(68)**	-
- weakened by 5%	**68**	-

(c) Liquidity and cash flow risks

The Company relies on its management of working capital to ensure that the cash flow within the operating cycle are sustainable. In the event of additional funds required to operate the Company, the financial support from its holding company and related companies is necessary to meet its short term funding needs.

20. Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ["L&R"]

(b) Other financial liabilities ["OFL"]

	Carrying amount RM	**L&R RM**	**OFL RM**
2015			
Non-derivative financial assets			
Trade and other receivables	**9,026,158**	**9,026,158**	**-**
Amount due from immediate holding corporation	**3,995,896**	**3,995,896**	**-**
Cash at bank	**699,274**	**699,274**	**-**
	13,721,328	**13,721,328**	**-**

	Carrying amount	L&R	OFL
	RM	RM	RM
2015			
Non-derivative financial liabilities			
Trade payables	**4,132,613**	-	**4,132,613**
Other payables	**543,570**	-	**543,570**
	4,676,183	-	**4,676,183**
2014			
Non-derivative financial assets			
Trade and other receivables	381,102	381,102	-
Amount due from immediate holding corporation	4,276,199	4,276,199	-
Cash at bank	3,875,163	3,875,163	-
	8,532,464	8,532,464	-
2014			
Non-derivative financial liabilities			
Trade payables	2,369,592	-	2,369,592
Other payables	463,480	-	463,480
Amount due to affiliated corporation	2,500,000	-	2,500,000
	5,333,072	-	5,333,072

TECH MAHINDRA (SHANGHAI) CO., LTD.

Board of Directors

Mr. Achutni Sreenivasa Murthy
Mr. Rohit Gandhi
Mr. Vadapalli Venkatkumar Raju

Registered Office

Suite 23102, 23104, 23204, Pudong Software Park,
No. 498 Guoshoujing Road, Zhangjiang Hi-tech Park,
Shanghai, P.R. China, 201203

Bankers

HSBC Bank Ltd.
China Merchant Bank

Auditors

Shanghai Linfang Certified Public Accountants Co.,Ltd.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended December 31, 2014.

Financial Results (Local currency RMB)

For the year ended December 31	**2014 RMB**	2013 RMB
Income	**86,860,316.29**	62,428,373.45
Profit/(Loss) before tax	**7,876,985.15**	5,390,783.81
Profit/(Loss) after tax	**7,876,985.15**	5,390,783.81

Review of Operations:

During the year under review, your company recorded an income of RMB 86,860,316.29 an increase of 39.14% over the previous year. Profit after tax was RMB 7,876,985.15 increase of 46.12% over the last year. The Company continues to invest in strengthening its marketing infrastructure in China. During the year under review the name of the Company has been changed to Tech Mahindra (Shanghai) Co. Ltd.

Outlook for the current year:

Business has been encouraging in China and the Company is optimistic of the future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Sreenivasa Murty Achutuni	**Rohit Gandhi**	**Venkatakumar Raju**
Chairman	Director	Director

Pune, January 16, 2015

REPORT OF THE AUDITORS

To the Board of Directors of
Tech Mahindra (Shanghai) Co., Ltd.

We have audited the accompanying financial statements of Tech Mahindra (Shanghai) Co., Ltd. (the "Company"), which comprise the balance sheet as at 31 December 2014, the income statement, cash flow statement and statement of changes in equity for the year then ended and notes to these financial statements.

1. Management's Responsibility for the Financial Statements

The Company's management is responsible for preparation and fair presentation of these financial statements, such responsibility includes: (i) ensuring that the Financial Statements are properly prepared in conformity with the Accounting Standards for Business Enterprises and the "Accounting System for Business Enterprises" and are presented fairly (ii) designing, implementing and maintaining internal control relevant to the preparation of financial statements to ensure the financial statements are free of material misstatement, whether caused by fraud or error.

2. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the China Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tech Mahindra (Shanghai) Co., Ltd. as of 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises and the "Accounting System for Business Enterprises".

Liu Jing, China Certified Public Accountant

Chen Jie, China Certified Public Accountant

Shanghai Linfang Certified Public Accountants Co., Ltd.
15F, Hechuang Building,
No. 450 Caoyang Road,
Shanghai China

January 16, 2015

BALANCE SHEET AS AT 31 DECEMBER 2014

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Notes	2014.12.31	2013.12.31
Current assets:			
Cash at bank and in hand	5	**8,922,596.36**	12,709,902.97
Accounts receivable	6	**42,407,471.16**	22,459,427.84
Prepayments		**183,088.24**	249,584.16
Other receivables	7	**689,978.69**	665,250.50
Total current assets		**52,203,134.45**	36,084,165.47
Non-current assets:			
Fixed assets - cost	8	**8,676,871.06**	8,285,817.80
Less: Accumulated depreciation	9	**8,184,473.96**	8,120,393.47
Fixed assets - net	10	**492,397.10**	165,424.33
Long-term deferred expenses (deferred assets)	11	**157,347.27**	3,000.01
Total non-current assets		**649,744.37**	168,424.34
TOTAL ASSETS		**52,852,878.82**	36,252,589.81
LIABILITIES AND OWNER'S EQUITY			
Current liabilities			
Accounts payable	12	**5,328,491.29**	4,578,145.96
Advances	13	**315,565.83**	-
Accrued payroll		**2,898,171.35**	1,329,835.28
Taxes payable	14	**1,112,050.66**	853,800.53
Other payables		**10,646,271.15**	4,815,464.65
Total current liabilities		**20,300,550.28**	11,577,246.42
TOTAL LIABILITIES		**20,300,550.28**	11,577,246.42
Owner's equity			
Paid-in capital	15	**102,818,436.17**	102,818,436.17
Undistributed profits	16	**(70,266,107.63)**	(78,143,092.78)
Total owner's equity		**32,552,328.54**	24,675,343.39
TOTAL LIABILITIES AND OWNER'S EQUITY		**52,852,878.82**	36,252,589.81

The accompanying notes form an integral part of these financial statements.

Legal Representative:	SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function:	RAVIKANTH KARNE
Person in charge of accounting department:	XIA MEI

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

(All amounts in RMB Yuan unless otherwise stated)

	Notes	Year ended 2014.12.31	Year ended 2013.12.31
Total operating revenues		**86,860,316.29**	62,428,373.45
Incl.: Operating revenues		**86,860,316.29**	62,428,373.45
Incl.: Revenues from main operation	17	**86,860,316.29**	62,428,373.45
Less: Total operating costs		**79,795,789.93**	57,498,538.41
Incl.: Operating costs		**65,520,722.45**	45,668,359.49
Incl.: Costs of main operation		**65,520,722.45**	45,668,359.49
Operating tax and its additions		**270,368.27**	179,229.48
Selling and distribution expenses		**2,921,558.31**	2,460,580.60
General and administrative expenses		**11,314,812.21**	8,733,037.20
Finance expenses	18	**(231,671.31)**	457,331.64
Operating Profit		**7,064,526.36**	4,929,835.04
Add: Non-operating revenues		**817,245.93**	462,138.01
Less: Non-operating expenses		**4,787.14**	1,189.24
Total profit		**7,876,985.15**	5,390,783.81
less: Income tax expenses		**-**	-
Net profit		**7,876,985.15**	5,390,783.81

The accompanying notes form an integral part of these financial statements.

Legal Representative:	SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function:	RAVIKANTH KARNE
Person in charge of accounting department:	XIA MEI

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

(All amounts in RMB Yuan unless otherwise stated)

	Year ended 2014.12.31	Year ended 2013.12.31
1. Cash Flows from Operating Activities		
Cash received from sales of goods or rendering of services	**71,600,874.66**	58,331,606.76
Tax refund	**235,873.00**	-
Cash received relating to other operating activities	**771,657.02**	4,844,120.60
Sub-total of Cash Inflows	**72,608,404.68**	63,175,727.36
Cash paid for goods and services	**11,823,977.93**	3,622,644.07
Cash paid to and on behalf of employees	**51,829,064.61**	40,635,229.07
Payments of taxes and levies	**4,738,601.35**	2,728,225.17
Cash paid relating to other operating activities	**7,435,186.85**	8,611,854.93
Sub-total of Cash Outflows	**75,826,830.74**	55,597,953.24
Net Cash Flows from Operating Activities	**(3,218,426.06)**	7,577,774.12
2. Cash Flows from Investing Activities		
Cash paid to acquire fixed assets, intangible assets and other long-term assets	**568,877.00**	218,819.00
Sub-total of Cash Outflows	**568,877.00**	218,819.00
Net Cash Flows from investing Activities	**(568,877.00)**	(218,819.00)
3. Cash Flows from Financing Activities		
Net Cash Flows from Financing Activities	**-**	-
4. Effect of Foreign Exchange Rate Fluctuation on Cash	**(3.55)**	(44.98)
5. Net Increase (decrease) in Cash and Cash Equivalents	**(3,787,306.61)**	7,358,910.14
Add: Cash and cash equivalents at the beginning of the reporting period	**12,709,902.97**	5,350,992.83
6. Cash and Cash Equivalents at the End of the Reporting Period	**8,922,596.36**	12,709,902.97

The accompanying notes form an integral part of these financial statements.

Legal Representative:	SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function:	RAVIKANTH KARNE
Person in charge of accounting department:	XIA MEI

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

(All amounts in RMB Yuan unless otherwise stated)

	PAID-IN CAPITAL	CAPITAL SURPLUS	SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
Closing Balance at 31 December 2012	102,818,436.17	-	-	(83,533,876.59)	19,284,559.58
Beginning Balance at 1 January 2013	102,818,436.17	-	-	(83,533,876.59)	19,284,559.58
Net profit	-	-	-	5,390,783.81	5,390,783.81
Movements in year 2013	-	-	-	5,390,783.81	5,390,783.81
Closing Balance at 31 December 2013	102,818,436.17	-	-	(78,143,092.78)	24,675,343.39
Closing Balance at 31 December 2013	102,818,436.17	-	-	(78,143,092.78)	24,675,343.39
Beginning Balance at 1 January 2014	102,818,436.17	-	-	(78,143,092.78)	24,675,343.39
Net profit	-	-	-	7,876,985.15	7,876,985.15
Movements in year 2014	-	-	-	7,876,985.15	7,876,985.15
Closing Balance at 31 December 2014	**102,818,436.17**	**-**	**-**	**(70,266,107.63)**	**32,552,328.54**

The accompanying notes form an integral part of these financial statements.

Legal Representative:	SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function:	RAVIKANTH KARNE
Person in charge of accounting department:	XIA MEI

ADDITIONAL INFORMATION

SUPPLIED BY THE MANAGEMENT OF TECH MAHINDRA (SHANGHAI) CO., LTD.

(All amounts in RMB Yuan unless otherwise stated)

1 GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

Tech Mahindra (Shanghai) Co., Ltd. (Formerly Satyam Computer Services (Shanghai) Co., Ltd.)("the Company") is a wholly owned foreign enterprise invested by Tech Mahindra Limited. Established on December 23, 2002, the Company was registered at Shanghai Administration of Industry and Commerce and obtained the Business License of Legal Person No. 310115400111596. The registered capital of the Company was USD13,900,000 . The registered address is: Suite 23102, 23104, 23204, Pudong Software Park, No. 498 Guoshoujing Road, Zhangjiang Hi-tech Park, Shanghai. The Company has an approved operating period of 20 years.

The Company's approved scope of business operations includes software designing, developing, production, testing and maintenance (including embedded system software, computer aid design, manufactory and engineering service software, enterprise resource solution software, enterprise integrating software, custom relationship management software etc.); sales of the self-produced products and the related technical consulting services. Provision of outsourcing design, research and development service in the fields of machinery and electronics. Provision of comprehensive logistics solution design. Wholesale, import & export and commission agency of electronic equipment, machinery and parts, steel products, computer hardware and software, and provide related technical and auxiliary services.

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and "Accounting System for Business enterprises" as promulgated by the State of the People's Republic of China.

3 PRINCIPAL ACCOUNTING POLICIES

(a) Accounting period

The Company's accounting year starts on 1 January and ends on 31 December.

(b) Recording currency

The recording currency of the Company is the Renminbi (RMB).

(c) Basis of accounting and measurement bases

The Company follows the accrual basis of accounting. Assets are initially recorded at actual costs on acquisition and subsequently adjusted for impairment, if any.

(d) Foreign currency translation

Except for the accounting treatment of paid-in capital, foreign currency transactions are translated into RMB at the exchange rates stipulated by the People's Bank of China ("the stipulated exchange rates") on the day the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period.

Contributions to paid-in capital made in foreign currencies are translated into the RMB denominated paid-in capital account at the stipulated exchange rates at the contribution dates.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash refers to all cash in hand and all deposits. Cash equivalents refer to short-term and highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables and provision for bad debts

Receivables comprise accounts receivable and other receivables. The provision method is used to account for potential bad debts identified by management. Receivables are presented at actual amounts net of provision for bad debts.

(1) Accounts receivable

Specific provisions are made for accounts receivable on an individual basis.

(2) Other receivable

Specific provisions are made for other receivables on an individual basis.

(3) Recognition criteria of bad debts loss

Where evidence exists that balances cannot be recovered due to the debtor's de-registration, bankruptcy, insolvent and death, etc., bad debts are recognized and corresponding provision for bad debts is written off after the approval of the Company's general manager or the board pursuant to the authorization policies established in the Company.

(g) Fixed assets and depreciation

Fixed assets are tangible assets that are used in production, including sales of goods, rendering of services and leases, or held for management purposes, which have useful lives of more than one year and have relatively high unit price.

Fixed assets purchased or constructed by the Company are recorded at cost.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets being provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, estimated residual values expressed as a percentage of cost and annual depreciation rates are as follows:

	Estimated Useful Lives	**Estimated Residual Value**	**Annual Depreciation Rate**
Computer and electronic equipment	3 yrs	0%	33.33%
Office equipment	3 yrs	0%	33.33%
Furniture	5 yrs	0%	20.00%

When fixed assets are sold, transferred, disposed of or damaged, gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the assets, adjusted by related taxes and expenses, and are included in non-operating income or expenses.

The repair and maintenance expenses of fixed assets should be expensed directly for the current period. Subsequent expenditures for major reconstruction, expansion, improvement and renovation are capitalized when it is probable that future economic benefits in excess of the original assessment of performance will flow to the Company; the other subsequent expenditures should be recognized as costs or expenses for the current period. Capitalized expenditures arising from major reconstruction, expansion and improvement are depreciated using the straight-line method over the remaining useful lives of the fixed assets. The renovation expenses are depreciated using the straight-line method over the shorter of the interval of renovation and the estimated useful lives.

(h) Long-term deferred expenses

Long-term deferred expenses are expenses paid by an enterprise, for which the amortization period is more than one year (excluding one year), including land royalty and maintenance, etc. long-term deferred expenses should be amortized evenly over the respective beneficial periods and presented at an amount net of accumulated amortization.

Leasehold improvements

Leasehold improvements should be amortized evenly over the shorter of the lease term and the useful lives / respective beneficial periods of the leased asset, and presented at an amount net of accumulated amortization.

(i) Impairment of assets

In addition to the recognition of provisions for impairment loss on receivables and inventories which have been described in their respective accounting policies, individual assets for which there are indications that the carrying values are higher than their recoverable amounts, arising from the occurrence of events or changes in circumstances, are reviewed for impairment. If the carrying value of such assets is higher than the recoverable amount, the excess is recognized as an impairment loss.

The recoverable amount of an individual asset is the higher of its net selling price and its value in use. The net selling price is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and will parties, after deducting any incremental direct disposal costs. Value in use is the present value of estimated future cash flows expected being derived from continuing use of the asset and from its disposal at the end of its useful life.

When there is an indication that the need for an impairment provision recorded in a prior period no longer exists or has decreased, the provision for impairment loss is reversed. The increased carrying amount of the assets should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(j) Revenue recognition

Revenue from the rendering of services shall be recognized at the time of service provided and consideration received or receivable.

Interest income should be measured based on the period between the acquisition date and the maturity date and the applicable interest rate.

Subsidy income shall be recognized at the time of receipt.

(k) Employee benefits

The full-time employees of the Company are entitled to staff welfare benefits under existing PRC legislation, including pension benefits, medical care, unemployment insurance, housing fund and other benefits.

The Company is required to accrue for these benefits based on certain percentages of the employees' salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, these benefits are levied by the human resource and social security bodies. The contributions are expensed as incurred.

(l) Accounting for income taxes

The Company accounts for enterprise and local income taxes using the tax payable method. Under the tax payable method, tax expense is recognized based on current period taxable income and tax rates.

4 TAXATION

(a) Corporate income tax

The applicable enterprise income tax rate of the Company is 25%.

(b) Value added tax

The Company's rendering of services is subject to Value Added Tax (VAT) instead of Business tax since January 1,2012. The applicable tax rate for domestic sales is 6%.

(c) Individual income tax

Employees' income is subject to individual income tax, and the Company withhold amounts from employees and send the withheld amounts to the tax authorities.

5 MONETARY ASSETS

	2014.12.31	2013.12.31
Cash at bank	**8,922,596.36**	12,709,902.97
Total	**8,922,596.36**	12,709,902.97

6 ACCOUNTS RECEIVABLE

	2014.12.31	2013.12.31
Accounts receivable	**42,407,471.16**	22,489,278.05
Less: Provision for bad debt	**-**	29,850.21
Accounts receivable - net	**42,407,471.16**	22,459,427.84

The ageing of all balances of accounts receivable and its corresponding provision for bad debts as at year end are as follows:

	2014.12.31			2013.12.31		
	Amount	**% of total**	**Provision for bad bebts**	Amount	% of total	Provision for bad bebts
Within 1 yr	**42,407,471.16**	**100.0%**	**-**	22,459,427.84	99.9%	-
Over 2 yrs	**-**	**-**	**-**	29,850.21	0.1%	29,850.21
Total	**42,407,471.16**	**100%**	**-**	22,489,278.05	100%	29,850.21

7 OTHER RECEIVABLES

	2014.12.31	2013.12.31
	689,978.69	665,250.50

The ageing as at year end are as follows:

	2014.12.31		2013.12.31	
	Amount	**%**	Amount	%
Within 1 yr	**339,366.71**	**49.2%**	314,638.52	47.3%
Over 3 ys	**350,611.98**	**50.8%**	350,611.98	52.7%
Total	**689,978.69**	**100%**	665,250.50	100%

8 FIXED ASSETS – COST

	2013.12.31	Increase	Decrease	**2014.12.31**
Computer and electronic equipment	6,550,778.59	365,765.43	13,216.25	**6,903,327.77**
Office equipment	1,214,348.67	75,276.05	44,128.70	**1,245,496.02**
Furniture	520,690.54	10,555.73	3,199.00	**528,047.27**
Total	8,285,817.80	451,597.21	60,543.95	**8,676,871.06**

9 ACCUMULATED DEPRECIATION

	2013.12.31	Increase	Decrease	**2014.12.31**
Computer and electronic equipment	6,455,571.92	75,655.09	10,218.89	**6,521,008.12**
Office equipment	1,144,131.01	45,133.55	44,128.70	**1,145,135.86**
Furniture	520,690.54	838.44	3,199.00	**18,329.98**
Total	8,120,393.47	121,627.08	57,546.59	**8,184,473.96**

10 FIXED ASSETS – NET

	2014.12.31	2013.12.31
Computer and electronic equipment	**382,319.65**	95,206.67
Office equipment	**100,360.16**	70,217.66
Furniture	**9,717.29**	-
Total	**492,397.10**	165,424.33

11 LONG-TERM DEFERRED EXPENSES

	2014.3.31	**Increase**	**Decrease**	**2014.12.31**
Software and maintenance	**3,000.01**	**183,773.26**	**29,426.00**	**157,347.27**
Total	**3,000.01**	**183,773.26**	**29,426.00**	**157,347.27**

12 ACCOUNTS PAYABLE

	2014.12.31	2013.12.31
	5,328,491.29	4,578,145.96

Creditors with large amounts:	Ending balance	Description
Tech Mahindra Limited.	3,620,363.65	Service fee
CIIC SHANGHAI	1,613,300.23	Service fee

13 ADVANCES

	2014.12.31	2013.12.31
	315,565.83	-

Creditors with large amounts:	Ending balance	Description
TRW Automotive Holdings Corp	223,338.69	Service fee

14 TAX PAYABLE

Taxes	2014.12.31	2013.12.31
Value added tax	**610,586.60**	458,533.90
Individual income tax	**465,638.63**	345,861.24
Subtotal	**1,076,225.23**	804,395.14
Others	**35,825.43**	49,405.39
Total	**1,112,050.66**	853,800.53

15 PAID-IN CAPITAL

	2014.12.31		2013.12.31	
Name of Investor	**Registered Capital (USD)**	**Registered Capital**	Registered Capital (USD)	Registered Capital
Tech Mahindra Limited.	**13,900,000.00**	**102,818,436.17**	13,900,000.00	102,818,436.17
Total	**13,900,000.00**	**102,818,436.17**	13,900,000.00	102,818,436.17

The paid-in capital has been verified by Shanghai Linfang CPA Co., Ltd with the Capital Verification Report(2011) No.BY0116.

16 UNDISTRIBUTED PROFITS

	2014.12.31	2013.12.31
Undistributed profits at beginning of year	**(78,143,092.78)**	(83,533,876.59)
Current year net profit	**7,876,985.15**	5,390,783.81
Distributable profit	**(70,266,107.63)**	(78,143,092.78)
Undistributed profits at the end of year	**(70,266,107.63)**	(78,143,092.78)

17 REVENUES FROM MAIN OPERATION

Item	2014	2013
Software designing, developing and maintenance (Domestic)	**73,139,037.78**	47,318,752.33
Software designing, developing and maintenance (Exports)	**13,601,080.51**	15,027,726.15
sales goods	**120,198.00**	81,894.97
Total	**86,860,316.29**	62,428,373.45

18 FINANCE EXPENSES

	2014	2013
Interest income	**(275,870.12)**	(99,858.20)
Exchange losses/gains-net	**33,074.11**	274,087.79
Other finance expenses	**11,124.70**	283,102.05
Total	**(231,671.31)**	457,331.64

19 RELATED PARTY TRANSACTION

Related party relationships

Name of Entity	Relationship with the Company
Tech Mahindra Limited	Investor
Tech Mahindra (Nanjing) Co.,Ltd	Controlled by the same party

Related party transactions

Name of Entity	Description	Transactions in 2014
Tech Mahindra Limited	Renders of service	3,594,933.94
Tech Mahindra Limited	Receive of services	12,908,268.29
Tech Mahindra Limited	Withholding payment	727.96
Tech Mahindra Limited	Paid on the behalf of	29,680.00
Tech Mahindra (Nanjing) Co.,Ltd	Purchase of fixed assets	25,280.00

Ending Balance of related party transaction

Name of Entity	Account Name	Description	Ending balance
Tech Mahindra Limited	Accrued expenses	Receive of services	8,228,767.04
Tech Mahindra Limited	Accounts payable	Receive of services	3,620,363.65
Tech Mahindra Limited	Accounts receivable	Renders of service	927,216.78
Tech Mahindra Limited	Other receivable	Paid on the behalf of	29,680.00

SUPPLEMENTARY INFORMATION PROVIDED BY THE MANAGEMENT

(All amounts in RMB Yuan unless otherwise stated)

ADJUSTMENTS TO INCOME BEFORE TAX

Detailed adjustments and corresponding account name	Interpretation	Adjusted	Remarks
	(Reference included)	amounts	
Taxable amounts			
Administrative expenses	Accrued but unpaid wages and salaries	2,898,171.35	
Administrative expenses	Accrued but unpaid expenses	10,491,494.67	
Administrative expenses	Entertainment expenses exceed deductible limit	31,980.00	
Non-operation expenses	fines and penalty	180.00	
Total taxables		13,421,826.02	
Deductible amounts			
Payroll Payables	wages accrued in prior year and paid in current year	1,329,835.28	
Administrative expenses	Expenses accrued in prior year and paid in current year	4,557,886.39	
Total deductibles		5,887,721.67	
Adjustments - net	7,534,104.35		
Audited income before tax	7,876,985.15		
Adjusted income before tax	15,411,089.50		

Note: The taxable income shall be finally settled by tax authorities.

TECH MAHINDRA (NANJING) COMPANY LTD.

Board of Directors

Mr. Achutni Sreenivasa Murthy
Mr. Rakesh Soni
Mr. Rohit Gandhi
Mr. Vadapalli Venkatkumar Raju

Registered Office

Suite 413-246,
Business Building,
Nanjing New & High Technology Industry Development Zone
Nanjing, P.R. China.

Bankers

Standard Chartered Bank
China Merchant Bank

Auditors

Shanghai Linfang Certified Public Accountants Co.,Ltd.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended December 31, 2014.

Financial Results (Local currency RMB)

For the year ended December 31	**2014 RMB**	2013 RMB
Income	**7,992,650.36**	12,040,427.30
Profit/(Loss) before tax	**1,011,645.67**	1,325,230.79
Profit/(Loss) after tax	**1,011,645.67**	1,325,230.79

Review of Operations:

During the year under review, your company recorded an income of RMB 7,992,650.36 decrease of 33.62% over the previous year. Profit after tax was RMB 1,011,645.67 decrease of 23.66% over the last year. The Company continues to invest in strengthening its marketing infrastructure in China. During the year under review the name of the Company has been changed to Tech Mahindra (Nanjing) Company Ltd.

Outlook for the current year:

Business has been encouraging in China and the Company is optimistic of the future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Sreenivasa Murty Achutuni
Chairman

Rohit Gandhi
Director

Venkatakumar Raju
Director

Rakesh Soni
Director

Pune, January 16, 2015

REPORT OF THE AUDITORS

To the Board of Directors of
Tech Mahindra (Nanjing) Co., Ltd.

We have audited the accompanying financial statements of Tech Mahindra (Nanjing) Co., Ltd. (the "Company"), which comprise the balance sheet as at 31 December 2014, the income statement, cash flow statement and statement of changes in equity for the year then ended and notes to these financial statements.

1. Management's Responsibility for the Financial Statements

The Company's management is responsible for preparation and fair presentation of these financial statements, such responsibility includes: (i) ensuring that the Financial Statements are properly prepared in conformity with the Accounting Standards for Business Enterprises and the "Accounting System for Business Enterprises" and are presented fairly (ii) designing, implementing and maintaining internal control relevant to the preparation of financial statements to ensure the financial statements are free of material misstatement, whether caused by fraud or error.

2. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the China Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Audit opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tech Mahindra (Nanjing) Co., Ltd. as of 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises and the "Accounting System for Business Enterprises".

Liu Jing, China Certified Public Accountant

Chen Jie, China Certified Public Accountant

Shanghai Linfang Certified Public Accountants Co., Ltd.
15F, Hechuang Building,
No. 450 Caoyang Road,
Shanghai China
January 15, 2015

BALANCE SHEET AS AT 31 MARCH 2014

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Notes	2014.12.31	2013.12.31
Current assets:			
Cash at bank and in hand	5	**6,575,385.22**	5,028,047.56
Accounts receivable	6	**1,116,026.04**	829,729.90
Prepayments	7	**99,536.71**	61,630.20
Other receivables	8	**15,259.93**	8,500.00
Total current assets		**7,806,207.90**	5,927,907.66
Non-current assets:			
Fixed assets - cost	9	**7,808,765.74**	8,176,460.94
Less: Accumulated depreciation	10	**7,778,924.90**	8,102,826.35
Fixed assets - net	11	**29,840.84**	73,634.59
Net book value of fixed assets		**29,840.84**	73,634.59
Long-term deferred expenses (deferred assets)	12	**44,393.35**	83,239.70
Total non-current assets		**74,234.19**	156,874.29
TOTAL ASSETS		**7,880,442.09**	6,084,781.95

LIABILITIES AND OWNER'S EQUITY	Notes	2014.12.31	2013.12.31
Current liabilities			
Accounts payable	13	**508,887.36**	31,569.86
Advances	14	**896,325.13**	-
Accrued payroll	15	**159,986.44**	133,871.76
Incl.: Wages payable		**159,986.44**	133,871.76
Taxes payable	16	**64,800.84**	(1,523.61)
Incl.: Tax payable		**64,800.84**	(1,523.61)
Other payables	17	**126,019.03**	808,086.32
Total current liabilities		**1,756,018.80**	972,004.33
TOTAL LIABILITIES		**1,756,018.80**	972,004.33
Owner's equity			
Paid-in capital	18	**52,646,896.26**	52,646,896.26
Foreign capital		**7,948,146.77**	47,948,146.77
Undistributed profits	19	**(46,522,472.97)**	(47,534,118.64)
Total owner's equity		**6,124,423.29**	5,112,777.62
TOTAL LIABILITIES AND OWNER'S EQUITY		**7,880,442.09**	6,084,781.95

The accompanying notes form an integral part of these financial statements.

Legal Representative: SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function: RAVIKANTH KARNE
Person in charge of accounting department: TAO WANZHU

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

(All amounts in RMB Yuan unless otherwise stated)

	Notes	Year ended 2014.12.31	Year ended 2013.12.31
Total operating revenues		**7,992,650.36**	12,040,427.30
Incl.: Operating revenues		**7,992,650.36**	12,040,427.30
Incl.: Revenues from main operation	21	**7,992,650.36**	12,040,427.30
Revenues from other operation	20	**6,993,609.66**	-
Less: Total operating costs		**7,018,159.96**	10,870,842.94
Incl.: Operating costs		**5,565,912.17**	5,876,136.58
Incl.: Costs of main operation		**5,565,912.17**	5,876,136.58
Operating tax and its additions		**6,629.38**	-
Selling and distribution expenses		**-**	30,147.13
General and administrative expenses		**1,470,168.71**	4,650,655.02
Finance expenses	21	**(24,550.30)**	313,904.21
Operating Profit		**974,490.40**	1,169,584.36
Add: Non-operating revenues		**37,155.27**	155,646.43
Total profit		**1,011,645.67**	1,325,230.79
less: Income tax expenses		**-**	-
Net profit		**1,011,645.67**	1,325,230.79

The accompanying notes form an integral part of these financial statements.

Legal Representative: SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function: RAVIKANTH KARNE
Person in charge of accounting department: TAO WANZHU

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

(All amounts in RMB Yuan unless otherwise stated)

	Year ended 2014.12.31	Year ended 2013.12.31
1. Cash Flows from Operating Activities		
Cash received from sales of goods or rendering of services	**8,699,851.65**	12,779,617.26
Tax refund	**12,361.44**	-
Cash received relating to other operating activities	**197,635.18**	1,472,339.45
Sub-total of Cash Inflows	**8,909,848.27**	14,251,956.71
Cash paid for goods and services		
Cash paid to and on behalf of employees	**5,599,244.25**	7,233,278.29
Payments of taxes and levies	**100,046.51**	154,993.11
Cash paid relating to other operating activities	**1,683,849.85**	6,447,050.67
Sub-total of Cash Outflows	**7,383,140.61**	13,835,322.07
Net Cash Flows from Operating Activities	**1,526,707.66**	416,634.64
2. Cash Flows from Investing Activities		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**25,280.00**	5,500.00
Sub-total of Cash Inflows	**25,280.00**	5,500.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	**4,650.00**	14,597.70
Sub-total of Cash Outflows	**4,650.00**	14,597.70
Net Cash Flows from investing Activities	**20,630.00**	-9,097.70
3. Cash Flows from Financing Activities		
Cash received from capital contribution	**-**	4,698,749.49
Sub-total of Cash Inflows	**-**	4,698,749.49
Sub-total of Cash Outflows	**-**	-
Net Cash Flows from Financing Activities	**-**	4,698,749.49
4. Effect of Foreign Exchange Rate Fluctuation on Cash	**-**	-108,741.58
5. Net Increase (decrease) in Cash and Cash Equivalents	**1,547,337.66**	4,997,544.85
Add: Cash and cash equivalents at the beginning of the reporting period	**5,028,047.56**	30,502.71
6. Cash and Cash Equivalents at the End of the Reporting Period	**6,575,385.22**	5,028,047.56

The accompanying notes form an integral part of these financial statements.

Legal Representative: SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function: RAVIKANTH KARNE
Person in charge of accounting department: TAO WANZHU

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

(All amounts in RMB Yuan unless otherwise stated)

	PAID-IN CAPITAL	CAPITAL SURPLUS	SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
Closing Balance at 31 December 2012	47,948,146.77	-	-	(48,859,349.43)	(911,202.66)
Beginning Balance at 1 January 2013	47,948,146.77	-	-	(48,859,349.43)	(911,202.66)
Net profit	-	-	-	1,325,230.79	1,325,230.79
Capital contribution or reduction by owners	4,698,749.49	-	-	-	4,698,749.49
- Capital contribution by owners	4,698,749.49	-	-	-	4,698,749.49
Movements from Jan to Dec, 2013	4,698,749.49	-	-	1,325,230.79	6,023,980.28
Closing Balance at 31 December 2013	52,646,896.26	-	-	(47,534,118.64)	5,112,777.62
Closing Balance at 31 December 2013	52,646,896.26	-	-	(47,534,118.64)	5,112,777.62
Beginning Balance at 1 January 2014	52,646,896.26	-	-	(47,534,118.64)	5,112,777.62
Net profit	-	-	-	1,011,645.67	1,011,645.67
Movements from Jan to Dec, 2014	-	-	-	1,011,645.67	1,011,645.67
Closing Balance at 31 December 2014	**52,646,896.26**	**-**	**-**	**(46,522,472.97)**	**6,124,423.29**

The accompanying notes form an integral part of these financial statements.

Legal Representative:	SREENIVASA MURTY ACHUTUNI
Person in charge of accounting function:	RAVIKANTH KARNE
Person in charge of accounting department:	TAO WANZHU

ADDITIONAL INFORMATION SUPPLIED BY THE MANAGEMENT OF TECH MAHINDRA NANJING CO.LTD.

All amounts in RMB Yuan unless otherwise stated)

1 GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

Tech Mahindra (Nanjing) Co., Ltd.(Formerly Satyam Computer Services (Nanjing) Co., Ltd.) (”the Company”) is a wholly owned foreign enterprise invested by Tech Mahindra Limited. Established on 29 June, 2007, the Company was registered at Nanjing Administration of Industry and Commerce and obtained the Business License of Juridical Person No. 320100400039957. The registered capital of the Company is USD 7.65 million. The registered address is Suite 413-246, Business Building, Nanjing High-tech Industry Developing Zone and the operating period is 50 years.

The Company’s approved scope of business operations includes software designing, developing, writing, testing, maintenance (of embedded system software, computer aid design, manufactory and engineering service software, enterprise resource solution software, enterprise integrating software, custom relationship management software etc.), sales of the self-produced products and related technical consulting. (Activities related to administrative permission should be operated with approval).

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and “Accounting System for Business enterprises” as promulgated by the State of the People’s Republic of China.

3 PRINCIPAL ACCOUNTING POLICIES

(a) Accounting period

The Company’s accounting year starts on 1 January and ends on 31 December.

(b) Recording currency

The recording currency of the Company is the Renminbi (RMB).

(c) Basis of accounting and measurement bases

The Company follows the accrual basis of accounting. Assets are initially recorded at actual costs on acquisition and subsequently adjusted for impairment, if any.

(d) Foreign currency translation

Except for the accounting treatment of paid-in capital, foreign currency transactions are translated into RMB at the exchange rates stipulated by the People’s Bank of China (“the stipulated exchange rates”) on the day the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are expensed.

Contributions to paid-in capital made in foreign currencies are translated into the RMB denominated paid-in capital account at the stipulated exchange rates at the contribution dates.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash refers to all cash in hand and all deposits. Cash equivalents refer to not more than 3 months and highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables and provision for bad debts

Receivables comprise accounts receivable and other receivables. The provision method is used to account for potential bad debts identified by management. Receivables are presented at actual amounts net of provision for bad debts.

Receivables comprise accounts receivable and other receivables. The direct write-off method is used to account for potential bad debts identified by management. Receivables are presented at actual amounts net of the non-payment.

Accounts receivable

Specific provisions are made for accounts receivables on an individual basis.

Accounts receivable comprises related party receivables and receivables from non-related parties.

Other receivable

Specific provisions are made for other receivables on an individual basis.

Recognition criteria of bad debts loss

Where evidence exists that balances cannot be recovered due to the debtor's de-registration, bankruptcy, insolvent and death, etc., bad debts are recognized and corresponding provision for bad debts is written off after the approval of the Company's general manager or the board pursuant to the authorization policies established in the Company.

(g) Fixed assets and depreciation

Fixed assets are tangible assets that are used in production, including sales of goods, rendering of services and leases, or held for management purposes, which have useful lives of more than one year and have relatively high unit price.

Fixed assets purchased or constructed by the Company are recorded at cost.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets being provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

If the double-declining-balance or sum-of-years'-digits method is adopted, please describe the Company's expected pattern of consumption of the future economic benefits embodied in the assets.

The estimated useful lives, estimated residual values expressed as a percentage of cost and annual depreciation rates are as follows:

	Estimated Useful Lives	**Estimated Residual Value**	**Annual Depreciation Rate**
electronic equipment	5yrs	0%	20%
office supplies	3/5 yrs	0%	20/33.33%
furniture	5 yrs	0%	20.00%

When fixed assets are sold, transferred, disposed of or damaged, gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the assets, adjusted by related taxes and expenses, and are included in non-operating income or expenses.

(h) Long-term deferred expenses

Long-term deferred expenses are expenses paid by an enterprise, for which the amortization period is more than one year (excluding one year), including land royalty and maintenance, etc. long-term deferred expenses should be amortized evenly over the respective beneficial periods and presented at an amount net of accumulated amortization.

Leasehold improvements

Leasehold improvements should be amortized evenly over the shorter of the lease term and the useful lives / respective beneficial periods of the leased asset, and presented at an amount net of accumulated amortization.

(i) Impairment of assets

In addition to the recognition of provisions for impairment loss on receivables and inventories which have been described in their respective accounting policies, individual assets for which there are indications that the carrying values are higher than their recoverable amounts, arising from the occurrence of events or changes in circumstances, are reviewed for impairment. If the carrying value of such assets is higher than the recoverable amount, the excess is recognized as an impairment loss.

The recoverable amount of an individual asset is the higher of its net selling price and its value in use. The net selling price is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and will parties, after deducting any incremental direct disposal costs. Value in use is the present value of estimated future cash flows expected being derived from continuing use of the asset and from its disposal at the end of its useful life.

When there is an indication that the need for an impairment provision recorded in a prior period no longer exists or has decreased, the provision for impairment loss is reversed. The increased carrying amount of the assets should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(j) Revenue recognition

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and it is probable that the economic benefit associated with the transaction will flow to the Company and the relevant revenue and costs can be measured reliably.

Revenue from the rendering of services shall be recognized at the time of service provided and consideration received or receivable.

Interest income should be measured based on the period between the acquisition date and the maturity date and the applicable interest rate.

Subsidy income shall be recognized at the time of receipt.

(k) Employee benefits

The full-time employees of the Company are entitled to staff welfare benefits under existing PRC legislation, including pension benefits, medical care, unemployment insurance, housing fund and other benefits.

The Company is required to accrue for these benefits based on certain percentages of the employees' salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, these benefits are levied by the human resource and social security bodies. The contributions are expensed as incurred.

(l) Accounting for income taxes

The Company accounts for enterprise and local income taxes using the tax payable method. Under the tax payable method, tax expense is recognized based on current period taxable income and tax rates.

4 TAXATION

(a) Corporate income tax

The applicable enterprise income tax rate is 25%.

(b) Value added tax

The Company's revenue from rendering of services subject to Value Added Tax (VAT) instead of Business tax since Oct.1st, 2012,and the applicable tax rate of output VAT is 6% on rendering of services.

Input VAT on purchases of goods and services can be deducted from output VAT, and VAT payable is the net difference between output and deductible input VAT.

(c) Individual income tax

Employees' income is subject to individual income tax, and the Company withhold amounts from employees and send the withheld amounts to the tax authorities.

5 MONETARY ASSETS

	2014.12.31	2013.12.31
Cash in hand	**-**	-
Cash at bank	**6,575,385.22**	5,028,047.56
Other monetary assets	**-**	-
Total	**6,575,385.22**	5,028,047.56

6 ACCOUNTS RECEIVABLE

	2014.12.31	2013.12.31
	1,116,026.04	829,729.90

The ageing as at year end are as follows:

	2013.12.31	
	Amount	%
Within 1 yr	829,729.90	100.0%
Total	829,729.90	100%

Debtors with large amounts:

Name of Debtors	Ending Balance	Description	Ageing
GE Health	950,167.84	service fee	Within 1 yr

7 PREPAYMENTS

	2014.12.31		2013.12.31	
	Amount	**%**	Amount	%
Prepaid expenses	**99,536.71**	**100.0%**	61,630.20	100.0%
Total	**99,536.71**	**100%**	61,630.20	100%

8 OTHER RECEIVABLES

	2014.12.31	2013.12.31
	15,259.93	8,500.00

The ageing as at year end are as follows:

	2014.12.31		2013.12.31	
	Amount	**%**	Amount	%
Within 1 yr	**12,759.93**	**83.6%**	6,000.00	70.6%
Over 2 ys	**2,500.00**	**16.4%**	2,500.00	29.4%
Total	**15,259.93**	**100%**	8,500.00	100%

9 FIXED ASSETS – COST

	2013.12.31	**Increase**	**Decrease**	**2014.12.31**
Electronic equipment	7,383,440.29	3,974.36	371,669.56	**7,015,745.09**
Office equipment	740,510.65	-	-	**740,510.65**
Furniture	52,510.00	-	-	**52,510.00**
Total	8,176,460.94	3,974.36	371,669.56	**7,808,765.74**

10 ACCUMULATED DEPRECIATION

	2013.12.31	**Increase**	**Decrease**	**2014.12.31**
Electronic equipment	7,383,127.11	469.01	371,669.56	**7,011,926.56**
Office equipment	672,351.25	42,691.72	-	**715,042.97**
Furniture	47,347.99	4,607.38	-	**51,955.37**
Total	8,102,826.35	47,768.11	371,669.56	**7,778,924.90**

11 FIXED ASSETS – NET

	2014.12.31	2013.12.31
Electronic equipment	**3,818.53**	313.18
Office equipment	**25,467.68**	68,159.40
Furniture	**554.63**	5,162.01
Total	**29,840.84**	73,634.59

12 LONG-TERM DEFERRED EXPENSES

	2013.12.31	Increase	Decrease	2014.12.31
Leaseholding improvement	83,239.70	-	38,846.35	**44,393.35**
Total	83,239.70	-	38,846.35	**44,393.35**

13 ACCOUNTS PAYABLE

	2014.12.31	2013.12.31
	508,887.36	31,569.86

14 ADVANCES

	2014.12.31	2013.12.31
	896,325.13	-

Creditors with large amounts:	Ending balance	Description
Tech Mahindra Ltd	605,097.13	service fee

15 ACCRUE PAYROLL

	2014.12.31	2013.12.31
Wages payable	**159,986.44**	133,871.76
Total	**159,986.44**	133,871.76

16 TAX PAYABLE

Taxes	2014.12.31	2013.12.31
Value added tax	**47,028.44**	(14,819.03)
Individual income tax	**17,772.40**	13,295.42
Total	**64,800.84**	(1,523.61)

17 OTHER PAYABLES

	2014.12.31	2013.12.31
Total	**126,019.03**	808,086.32

Creditor with large amount	Ending Balance	Description
KPMG Advisory(China)Limited	60,673.17	service fee

18 PAID-IN CAPITAL

	2014.12.31		2013.12.31	
Name of Investor	**Registered Capital (USD)**	**Registered Capital**	Registered Capital (USD)	Registered Capital
Tech Machindra Limited	**7,650,000.00**	**52,646,896.26**	7,650,000.00	52,646,896.26
Total	**7,650,000.00**	**52,646,896.26**	7,650,000.00	52,646,896.26

The paid-in capital has been verified by Jiangsu Zhongtianxin CPA Co., Ltd with the Capital Verification Report No.22[2013].

19 UNDISTRIBUTED PROFITS

	2014.12.31	2013.12.31
Undistributed profits at beginning of year	**(47,534,118.64)**	(48,859,349.43)
Current year net profit	**1,011,645.67**	1,325,230.79
Distributable profit	**(46,522,472.97)**	(47,534,118.64)
Undistributed profits at the end of year	**(46,522,472.97)**	(47,534,118.64)

20 REVENUES FROM OTHER OPERATION

Item	2014	2013
Software designing, developing and maintenance (Domestic)	**1,498,920.71**	158,644.34
Software designing, developing and maintenance (Exports)	**6,493,729.65**	11,881,782.96
Total	**7,992,650.36**	12,040,427.30

21 FINANCE EXPENSES

	2014	2013
Interest income	**(23,332.18)**	(5,751.42)
Exchange losses/gains-net	**(8,928.64)**	311,430.29
Other finance expenses	**7,710.52**	8,225.34
Total	**(24,550.30)**	313,904.21

22 RELATED PARTY TRANSACTION

Related party relationships

Name of Entity	Relationship with the Company
Tech Mahindra Limited	Investor
Tech Mahindra (Shanghai) Co.,Ltd	Controlled by the same party

Related party transactions

Name of Entity	Description	Transactions in 2014
Tech Mahindra Limited	Renders of service	6,493,729.65
Tech Mahindra Limited	Receive of services	472,746.01
Tech Mahindra (Shanghai) Co.,Ltd	Sales of fixed assets	25,280.00

Ending Balance of related party transaction

Name of Entity	Account Name	Description	Ending balance
Tech Mahindra Limited	Advances	Renders of service	605,097.13
Tech Mahindra Limited	Account Payables	Receive of services	472,746.01

23 OTHER MATTERS

The company’s lease contract has expired since December 2012, the two parties did not take a negotiation regarding the rental fee. So the company accrued its rental expenses in line with the market price of the same area. Since December 2014, the leaser reached an agreement with the company that the company can get a rent-free period from 2013 to 2014. As a consequence, the company decided to write down its administration expenses of RMB 1,412,775 which was recognized during Jan 2013 and Nov 2014.

SUPPLEMENTARY INFORMATION PROVIDED BY THE MANAGEMENT

(All amounts in RMB Yuan unless otherwise stated)

ADJUSTMENTS TO INCOME BEFORE TAX			
Detailed adjustments and corresponding account name	Interpretation (Reference included)	Adjusted amounts	Remarks
Taxable amounts			
Administrative expenses	Accrued but unpaid wages and salaries	159,986.44	
Administrative expenses	Accrued but unpaid expenses	121,900.63	
Administrative expenses	Entertainment expenses exceed deductible limit	429.20	
Total taxables		282,316.27	
Deductible amounts			
Accrued Payroll	Accrued wages of the prior period paid in the current period	133,871.76	
Administrative expenses	Accrued expenses of the prior period paid in the current period	803,699.32	
Total deductibles		937,571.08	
Adjustments - net			(655,254.81)
Audited income before tax			1,011,645.67
Adjusted income before tax			356,390.86

Note: The taxable income shall be finally settled by tax authorities.

CITISOFT PLC

Board of Directors

Mr. Vikram Nair

Mr. J H Clark

Mr. Lakshmanan Chidambaram

Registered Office

63 Queen Victoria Street

London

EC4N 4UA

Bankers

Barclays Bank

Auditors

Spofforths LLP

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

Principal activity

The principal activity of the company is that of providing management consultancy and implementation services to the asset management industry. Citisoft PLC ("Citisoft") is a UK based computer and business process consulting company with a wholly owned subsidiary, Citisoft Inc., operating in the United States of America. Citisoft operates worldwide from these two major financial jurisdictions.

Results for the year

The results for the company for the year show a pre-tax profit of £ 290,608 (2014: profit £ 103,547) on a turnover of £ 2,982,659 (2014: £ 3,859,131).

Dividends

The directors do not recommend the payment of a dividend.

Post balance sheet events

There have been no significant events since 31 March 2015 that need to be disclosed or accounted for in the financial statements.

Policy on payment of creditors

It is a company policy that all suppliers are dealt with in accordance with its standard payment practice whereby all outstanding trade accounts are settled within the greater of the settlement terms advised by the supplier at the time of supply and 30 days following the month of purchase.

During the year the average credit taken from suppliers was 30 days (2014: 30 days).

Directors of the company

The directors who held office during the year were as follows:

J H Clark

V N Nair

L Chidambaram

Directors' responsibilities

The directors are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Approved by the Board on 12 May 2015 and signed on its behalf by:

J H Clark

Director

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

The Directors present their strategic report for the year ended 31 March 2015.

Business review

Fair review of the business and future developments

2014 was a challenging year in the UK Asset Management sector. Most Asset Managers had a strong financial performance themselves, but their attention and budgetary spend continues to be focused on the raft of regulatory demands made upon them. This resulted in many keeping a tight control on budgets and supplier spending, especially around strategic initiatives.

Market activity over the year was inconsistent, some firms, but not all, are moving towards strategic change and this should lead to a gradual return to a more vibrant market. Certainly our US business has seen a marked upturn and has won a number of strategic projects in recent months – more traditional areas for Citisoft to operate. It is hoped that these levels of strategic projects will grow within Europe, although we are by no means through our regulatory period. We have also worked to develop a stronger brand and capability in and around regulation, initially through Solvency II, but now looking to extend to include other upcoming regulations.

During the year we were successful in winning new clients, albeit with relatively small projects. We will focus on deepening these relationships, as well as looking to continue opening new relationships. We have made changes to our business development team and activities, and as we enter the new financial year a number of sales programs are underway and ready to add to the sales growth and help ensure we meet our financial targets.

The competitive landscape in the UK remains largely unchanged from last year but the volume and strength of the competition in this local market is far stronger and deeper than that faced by our US operation. We have seen some of our local competitors look to the US market to provide their growth, as conditions here continue to be difficult. Pressure on fee rates has started to ease and we are seeing some firms prepared to invest more in gaining high quality resources.

Many of our key clients are undergoing significant internal change, as they look to transform, whilst controlling costs. This internal turmoil will present threats and opportunities, which we will look to manage appropriately.

Citisoft continue to invest considerable time and effort in working in closer association with the parent company, Tech Mahindra, where our domain expertise and market credibility bring considerable benefits to many of their financial services sales activities. To date this has been predominantly based around business development activities, from which we expect to see sizeable future revenue earning opportunities.

Principal risks and uncertainties

As we move into the new financial year our principal area of risk and uncertainty continues to stem from the uncertainty around market conditions, particularly the impact of the ongoing and impending regulations and the consequent impact on the investment managers in Europe appetite to undertake longer term strategic initiatives. The requirements in the market as a result are currently quite diverse and our lack of scale will result in the need to try and foresee which of these areas will be the most lucrative and invest in developing propositions and capabilities ahead and in line with demand.

In order to control costs we are increasingly reliant on the associate model to meet demand and growth. As the market conditions improve it may become more challenging to manage and source these resources in the required timeline.

Key performance indicators considered by the company

We continued to take measures to reduce our cost base and organise the company into a more efficient model. The main drivers of our business are utilisation and fee rates. Rates are continuing to hold at a more traditional level and there is less pressure on day rates than in the past. Providing this remains and we can source projects as required whilst continuing to keep overheads in check, we can be confident of positive trading and will be able to focus attention on returning to growth.

Approved by the Board on 12 May 2015 and signed on its behalf by:

J H Clark

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITISOFT PLC

We have audited the financial statements of Citisoft PLC for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on pages herein), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Graham Hunt BA FCA	**Springfield House**
(Senior Statutory Auditor)	**Springfield Road**
For and on behalf of	**Horsham**
Spofforths LLP	**West Sussex**
Chartered Accountants and Statutory Auditor	**RH12 2RG**
13 May 2015	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Note	**2015** £	2014 £
Turnover	2	**2,982,659**	3,859,131
Cost of sales		**(2,152,427)**	(2,707,049)
Gross profit		**830,232**	1,152,082
Administrative expenses		**(539,815)**	(1,081,851)
Other operating income		**45**	64,902
Operating profit	3	**290,462**	135,133
Other interest receivable and similar income	6	**146**	441
Interest payable and similar charges	7	**-**	(32,027)
Profit on ordinary activities before taxation		**290,608**	103,547
Tax on profit on ordinary activities	8	**(52,924)**	-
Profit for the financial year	14	**237,684**	103,547

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

BALANCE SHEET AT 31 MARCH 2015

	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible fixed assets	9		**4,187**		6,312
Investments	10		**3,125**		3,125
			7,312		9,437
Current assets					
Debtors	11	**1,094,049**		1,349,907	
Cash at bank and in hand		**1,226,522**		816,526	
		2,320,571		2,166,433	
Creditors: Amounts falling due within one year	12	**(455,058)**		(540,729)	
Net current assets			**1,865,513**		1,625,704
Net assets			**1,872,825**		1,635,141
Capital and reserves					
Called up share capital	13	**112,410**		112,410	
Share premium account	14	**369,706**		369,706	
Profit and loss account	14	**1,390,709**		1,153,025	
Shareholders' funds	15		**1,872,825**		1,635,141

Approved by the Board and authorised for issue on 12 May 2015 and signed on its behalf by:

J H Clark

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1 **Accounting policies**

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The company is a wholly owned subsidiary of Tech Mahindra Limited, incorporated in India. Tech Mahindra Limited produces publicly available financial statements. The company has therefore taken advantage of the exemption from preparing a cash flow statement in accordance with paragraph 5(a) of Financial Reporting Standard 1.

Exemption from preparing group accounts

The directors have satisfied themselves that the parent company, Tech Mahindra Limited, prepares group accounts in line with the requirements of the EU 7th Directive. The company has therefore taken advantage of the exemption provided by Section 401 of the Companies Act 2006 not to prepare consolidated financial statements.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of services to customers.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life, as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	over 5 years straight line

Fixed asset investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. No provision is made for deferred tax assets.

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates of exchange at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2. **Turnover**

An analysis of turnover by geographical location is given below:

	2015	2014
	£	£
Sales - UK	**971,335**	1,152,521
Sales - Europe	**10,210**	27,979
Sales - Rest of world	**2,001,114**	2,678,631
	2,982,659	3,859,131

3. **Operating profit**

	2015	2014
	£	£
Operating profit is stated after charging:		
Auditor's remuneration for audit services	**34,000**	33,300
Auditor's remuneration for other services	**3,125**	2,000
Foreign currency (gains)/losses	**(191,623)**	179,347
Loss on sale of tangible fixed assets	**-**	638
Depreciation of owned assets	**2,853**	3,450

4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Administration and support	**1**	2
Production	**9**	11
Sales	**2**	3
	12	16

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	**1,325,874**	1,889,498
Social security costs	**168,438**	245,840
Staff pensions	**205,674**	248,840
	1,699,986	2,384,178

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration	**301,025**	284,539
Company contributions paid to money purchase schemes	**30,103**	28,417

During the year the number of directors who were receiving benefits was as follows:

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	**1**	1

In respect of the highest paid director:

	2015 £	2014 £
Remuneration	**301,025**	284,539
Company contributions to money purchase pension schemes	**30,103**	28,417

6 Other interest receivable and similar income

	2015 £	2014 £
Bank interest receivable	**146**	441

7 Interest payable and similar charges

	2015 £	2014 £
Other interest payable	**-**	32,027

8 Taxation

Tax on profit on ordinary activities

	2015 £	2014 £
Current tax		
Corporation tax charge	**59,204**	-
Adjustments in respect of previous years	**(6,280)**	-
UK Corporation tax	**52,924**	-

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 23%).

The differences are reconciled below:

	2015 £	2014 £
Profit on ordinary activities before taxation	**290,608**	103,547
Corporation tax at standard rate	**61,028**	23,816
Depreciation for period in excess of capital allowances	**23**	(28)
Other short term timing differences	**(7,846)**	(44,276)
Expenses not deductible for tax purposes	**4,688**	20,488
Adjustments in respect of previous years	**(6,280)**	-
Changes in tax rates	**1,311**	-
Total current tax	**52,924**	-

Factors that may affect future tax charges

No significant differences are anticipated between profits for accounting purposes and tax purposes in future periods.

9. Tangible fixed assets

	Fixtures, fittings and equipment £
Cost or valuation	
At 1 April 2014	**106,092**
Additions	**728**
At 31 March 2015	**106,820**
Depreciation	
At 1 April 2014	**99,780**
Charge for the year	**2,853**
At 31 March 2015	**102,633**
Net book value	
At 31 March 2015	**4,187**
At 31 March 2014	**6,312**

10. Investments held as fixed assets

	2015 £	2014 £
Shares in group undertakings	**3,125**	3,125

Shares in group undertakings	**Subsidiary undertakings £**
Cost	
At 1 April 2014	**3,125**
At 31 March 2015	**3,125**
Net book value	
At 31 March 2015	**3,125**
At 31 March 2014	**3,125**

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings Citisoft Inc (incorporated in USA)	Ordinary	100%	Provision of management consultancy and implementation services to the asset management industry

The profit for the financial period of Citisoft Inc (incorporated in USA) was $ 1,533,252 and the aggregate amount of capital and reserves at the end of the period was $ 5,204,435.

11. Debtors

	2015 £	2014 £
Trade debtors	**24,899**	191,809
Amounts owed by group undertakings	**1,059,507**	1,123,161
Other debtors	**76**	25,630
Prepayments and accrued income	**9,567**	9,307
	1,094,049	1,349,907

Debtors includes £ 457,403 (2014 - £ 407,308) receivable after more than one year.

This can be analysed as follows:

	2015 £	2014 £
Amounts owed by group undertakings	**457,403**	407,308

12. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	**63,574**	102,281
Amounts owed to group undertakings	**44,414**	44,790
Corporation tax	**59,204**	-
Other taxes and social security	**69,639**	103,605
Other creditors	**-**	52,256
Accruals and deferred income	**218,227**	237,797
	455,058	540,729

13. Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	**£**	No.	£
Ordinary shares of £0.01 each	**8,430,752**	**84,308**	8,430,752	84,308
A Ordinary shares of £0.01 each	**2,810,248**	**28,102**	2,810,248	28,102
	11,241,000	**112,410**	11,241,000	112,410

The rights attaching to the Ordinary shares and to the A Ordinary shares are identical save the A Ordinary shares have no right to receive dividends declared by the company except in certain limited circumstances.

14. Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 April 2014	369,706	1,153,025	1,522,731
Profit for the year	-	237,684	237,684
At 31 March 2015	**369,706**	**1,390,709**	**1,760,415**

15. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Profit attributable to the members of the company	**237,684**	103,547
Net addition to shareholders' funds	**237,684**	103,547
Shareholders' funds at 1 April	**1,635,141**	1,531,594
Shareholders' funds at 31 March	**1,872,825**	1,635,141

16. Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £ 205,674 (2014 - £ 248,840).

17. Related party transactions

The company is a wholly owned subsidiary of Tech Mahindra Limited. Accordingly the company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions and balances with subsidiaries of the Tech Mahindra group where those subsidiaries are also wholly owned by the group.

18. Control

The company is controlled by Tech Mahindra Limited. Tech Mahindra Limited is the company's parent company and incorporated in India. Copies of the group accounts can be obtained from the Registered Office, Gateway Building, Apollo Bunder, Mumbai - 400 001, India.

CITISOFT INC.

Board of Directors

Mr. Vikram Nair

Mr. Thomas Secaur

Mr. Lakshmanan Chidambaram

Registered Office

343 Congress Street,

Boston, MA 02210

USA

Bankers

Bank of America

Auditors

Mocera, Visconti & Company CPAs LLP

DIRECTORS' REPORT

TO THE SHAREHOLDERS

This report together with the audited accounts of CITISOFT, INC for the year ended March 31, 2015.

Financial Results (US$)

For the year ended March 31,	**2015 US $**	2014 US $
Income	**21,448,569**	16,657,681
Profit/(Loss) before tax	**2,447,492**	1,091,625
Profit/(Loss)after tax	**1,533,242**	632,219

Review of Operations:

During the year under review, Citisoft, Inc. recorded an income of US$ 21,448,569 an increase of 29% over the previous year. Profit after tax was US$ 1,533,242 an increase of 143% over the last year. The Company continues to invest in strengthening its operations and administrative infrastructure to support anticipated growth in the coming years.

Directors:

During the year under review there were no changes to the Board of Directors.

Outlook for the current year:

Business has been encouraging in US and the Company is cautiously optimistic of the future with expected growth to continue in the 10-15% range.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

THOMAS SECAUR
Director

June 19, 2015

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders
Citisoft, Inc.
Boston, Massachusetts

We have audited the accompanying financial statements of Citisoft, Inc., a Delaware corporation and wholly-owned subsidiary of Citisoft Plc, which are comprised of the balance sheets as of March 31, 2015 and 2014, and the related statements of income and retained earnings and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the overall reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Citisoft, Inc. as of March 31, 2015 and 2014 and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Mocera, Visconti & Company CPAs LLP

May 7, 2015

BALANCE SHEETS AS AT MARCH 31, 2015 AND 2014

	2015 $	2014 $
Assets		
Current assets:		
Cash	**4,564,823**	1,495,945
Accounts receivable, trade, net of allowance for doubtful accounts of $15,000 as of March 31, 2015 and 2014	**3,625,086**	4,005,376
Accounts receivable, affiliates	**-**	8,885
Prepaid expenses	**24,489**	25,940
Deferred income taxes	**233,171**	63,498
Refundable income taxes	**-**	239,286
Total current assets	**8,447,569**	5,838,930
Property and equipment, net of accumulated depreciation	**58,607**	70,345
Security deposits	**25,466**	25,466
Goodwill	**867,633**	867,633
Total assets	**9,399,275**	6,802,374
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	**164,743**	177,149
Accounts payable, affiliates	**634,870**	879,901
Income taxes payable	**363,298**	-
Accrued expenses	**1,445,386**	1,002,521
Customer deposits	**611,624**	130,551
Total current liabilities	**3,219,921**	2,190,122
Advances from stockholder	**679,105**	679,105
Deferred income taxes	**295,814**	261,954
Total liabilities	**4,194,840**	3,131,181
Stockholders' equity		
Common stock, $0.01 par value; 1,000 shares authorized and 1,000 shares issued and outstanding	**10**	10
Additional paid in capital	**4,790**	4,790
Retained earnings	**5,199,635**	3,666,393
Total stockholders' equity	**5,204,435**	3,671,193
Total liabilities and stockholders' equity	**9,399,275**	6,802,374

See report of independent auditors and notes to financial statements.

CITISOFT INC.

STATEMENT OF INCOME ANE RETAINED EARNINGS
YEAR ENDED MARCH 31, 2015 AND 2014

	2015 **$**	2014 $
Revenue		
Consulting revenue	**21,448,569**	16,657,681
Consulting revenue - consulting affiliates	**3,229,604**	4,208,890
	24,678,173	20,866,571
Cost of revenue		
Cost of revenue - consulting	**12,961,105**	10,517,685
Cost of revenue - consulting affiliates	**3,229,604**	4,208,890
	16,190,709	14,726,575
Gross profit	**8,487,464**	6,139,996
Selling, general and administrative expenses	**6,040,031**	5,048,909
Income from operations	**2,447,433**	1,091,087
Other income:		
Interest income	**59**	538
	59	538
Income before provision for income taxes	**2,447,492**	1,091,625
Provision for income taxes	**914,250**	459,406
Net income	**1,533,242**	632,219
Retained earnings, beginning of period	**3,666,393**	3,034,174
Retained earnings, end of period	**5,199,635**	3,666,393

See report of independent auditors and notes to financial statements.

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2015 AND 2014

	2015	2014
	$	$
Operating activities		
Net income	**1,533,242**	632,219
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	**34,327**	25,904
Deferred income taxes	**(135,813)**	(77,084)
Changes in operating assets and liabilities:		
Accounts receivable, trade	**380,290**	(606,752)
Accounts receivable, affiliates	**8,885**	36,500
Prepaid expenses	**1,451**	2,550
Accounts payable	**(12,406)**	61,032
Accounts payable, affiliates	**(245,031)**	134,298
Refundable income taxes/income taxes payable	**602,584**	(224,965)
Accrued expenses	**442,865**	(224,071)
Customer deposits	**481,073**	70,328
Net cash provided by (used in) operating activities	**3,091,467**	(170,041)
Investing activities		
Purchases of property and equipment	**(22,589)**	(49,511)
Net cash used in investing activities	**(22,589)**	(49,511)
Increase (decrease) in cash	**3,068,878**	(219,552)
Cash, beginning of period	**1,495,945**	1,715,497
Cash, end of period	**4,564,823**	1,495,945

See report of independent auditors and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

(Years ended March 31, 2015 and 2014)

Note 1 – Nature of Business, Basis of Presentation, and Summary of Significant Accounting Policies

Nature of Business

Citisoft, Inc. (the "Company") was incorporated in Delaware on September 16, 2002 and provides consulting and information technology services to the investment and financial services industry. The Company is a wholly-owned subsidiary of Citisoft Plc, located in the United Kingdom, which is an affiliate of Tech Mahindra, a provider of information technology services, internet services, business process outsourcing and software development support. Tech Mahindra's principal office is located in Hyderabad, India. Tech Mahindra acquired a 75% interest in the Company's parent, Citisoft Plc, in April, 2005 and the remaining 25% was acquired in June, 2006.

Basis of Presentation

The financial statements have been prepared by the Company to reflect the separate results of operations and financial position of Citisoft, Inc. during the years ended March 31, 2015 and 2014. Therefore, the financial statements were prepared without the elimination of inter-company transactions that are recorded during the consolidation of the Company's financial information with the parent company, Citisoft Plc.

Revenue Recognition

Revenues from the performance of time-and-material consulting projects are recognized as the services are performed. Revenues from fixed price engagements are recognized on the percentage of completion basis with revisions to estimates reflected in the period in which changes become known. Provision for losses on such engagements is made during the period in which a loss becomes probable and can be reasonably estimated.

In accordance with Accounting Standards Codification Topic 605, (ASC 605), *"Revenue Recognition"*, the Company has accounted for reimbursements received for out-of-pocket expenses incurred as revenues in the income statement.

All contracts require the Company's clients to pay for out-of-pocket expenses, principally travel related expenses. Accordingly, revenue includes amounts billed for these costs and cost of revenue includes the related actual costs incurred.

Cash

The Company considers all highly liquid investments with an original maturity or remaining maturity of three months or less at the date of purchase to be cash. Cash and claims to cash that are restricted as to withdrawal or uses in the ordinary course of business are classified as deposits in the balance sheet at March 31, 2015 and 2014.

The Company places its temporary cash investments in high credit financial institutions. However, portions of temporary cash investments may exceed FDIC insured levels from time to time. Management monitors, on a regular basis, the financial condition of the financial institutions, along with their balances, to reduce the risk of balances exceeding FDIC insured limits.

Property and Equipment

Property and equipment are stated at actual cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives which are three to five years for computer equipment and five years for furniture and fixtures. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; additions, significant renewals and betterments greater than $5,000 are capitalized.

At March 31, 2015 and 2014, property and equipment, at cost, and accumulated depreciation consisted of the following:

	2015	2014
	$	$
Cost	**198,151**	175,562
Less: accumulated depreciation	**(139,544)**	(105,217)
Net book value	**58,607**	70,345

Depreciation expense for the years ended March 31, 2015 and 2014 amounted to $ 34,327 and $ 25,904, respectively.

Goodwill and Other Intangibles

Goodwill represents the difference between the purchase price and the fair value of assets and liabilities acquired in a business combination. The Company accounts for goodwill in accordance with Accounting Standards Codification Topic 350, *"Intangible-Goodwill and Other"* (ASC 350). ASC 350 states certain intangible assets are not subject to amortization but are tested for impairment annually.

The entire balance of goodwill at March 31, 2015 and 2014 is attributable to the 2002 acquisition of The Rowan Group, a Company organized by the three senior executives who continue to manage the marketing and management activities of the Company.

At March 31, 2015 and 2014, the Company performed a qualitative assessment of factors to determine whether it was necessary to perform impairment testing. Based on the results of the qualitative assessment, management has concluded that no impairment loss is warranted at March 31, 2015 and 2014. Qualitative factors considered in this assessment include industry considerations, overall financial performance and other relevant events. Additional impairment analyses at future dates may be performed to determine if indicators of impairment are present, and if so, such amount will be determined and reflected in the Statement of Income and Retained Earnings.

Accounting for the Impairment of Long-Lived Assets

The Company accounts for impairment or disposal of long-lived assets in accordance with Accounting Standards Codification Topic 360, *"Property, Plant, and Equipment"* (ASC 360). ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. Impairment is measured by comparing the undiscounted future cash flows for the carrying value of the assets held at the Company's location. If the total expected undiscounted future cash flows are less than the carrying amount of the asset, the Company records an impairment charge. Management believes no event has occurred that would impair the value of long-lived assets recorded in the accompanying financial statements.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Fair value is defined as 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. ASC Topic 820, *"Fair Value Measurements and Disclosures"* (ASC 820), establishes a three level hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Level 2 inputs to the valuation include quoted prices for similar assets or liabilities not traded in active markets, but for which observable inputs for the asset or liability are readily available either directly or indirectly, for substantially the full term of the financial instrument. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Company did not have any Level 2 or Level 3 assets or liabilities as of March 31, 2015 and 2014. In addition, the Company did not have transfers of assets and liabilities between Levels 1, 2 and 3 during the years ending March 31, 2015 and 2014.

The Company discloses the estimated fair values for all financial instruments for which it is practicable to estimate fair value. As of March 31, 2015 and 2014, the fair value short-term financial instruments including cash, receivables, and accounts payable and accrued expenses, approximates book value due to their short-term duration. Cash is considered a Level 1 investment.

Concentration of Credit Risk and Accounts Receivable

The Company grants credit to its customers during the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and generally requires no collateral from its customers. Accounts receivable balances are typically unsecured and are derived from revenues earned from customers primarily located in the United States of America. The Company monitors the creditworthiness of its customers to which it grants credit limits in the normal course of business, and its historical experience of potential credit losses which, when realized, have been within the range of managements expectations.

Advertising Costs

The Company expenses the costs of advertising as incurred. Advertising costs for the years ended March 31, 2015 and 2014 amounted to approximately $102,000 and $ 57,000, respectively, and are included in selling, general and administrative expenses in the accompanying statements of income and retained earnings.

Variable Interest Entities

Variable Interest Entities ("VIE's") are entities to which the usual condition of consolidation (ownership of a majority voting interest) does not apply. This interpretation focuses on financial interests that indicate control. Variable interests are rights and obligations that convey economic gains or losses from changes in the values of the VIE's assets and liabilities.

If a company holds a majority of the variable interests of an entity, it would be considered the primary beneficiary. The primary beneficiary would be required to include assets, liabilities and the results of operations of the VIE in its financial statements. Management has determined that no variable interest entities exist which would require disclosure or consolidation in the financial statements as of March 31, 2015 and 2014.

Income Taxes

Income taxes are accounted for in accordance with the provisions of Accounting Standards Codification Topic 740, *"Income Taxes"* (ASC 740). The provisions for deferred income tax expense or benefit represent the net change during the year in the Company's deferred income tax assets or liabilities.

Deferred income tax assets represent the amount of taxes recoverable in future years (based on current tax laws) resulting from future net tax deductions arising from the temporary differences in the reporting of certain types of income and expense items for financial statement and income tax reporting purposes.

Deferred income tax liabilities represent the amount of taxes payable in future years (based on current tax laws) resulting from the future net taxable amounts arising from temporary differences in the reporting of certain types of income and expense items for financial statements and for income tax reporting purposes.

The Company accounts for uncertain income tax positions under ASC 740. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on classification, interest and penalties, disclosure and transition.

As of March 31, 2015 and 2014, the Company had no material unrecognized tax benefits and no adjustments to liabilities or operations required under ASC 740. The Company's practice was and continues to be to recognize interest and penalty expenses related to uncertain tax positions in income tax expense, which were zero for the years ended March 31, 2015 and 2014. Generally, the three preceding tax years are subject to examination by federal and state taxing authorities. There are no income tax examinations currently in process.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were issued. For the year ended March 31, 2015, there were no material subsequent events noted during the evaluation.

Note 2 – Accrued Expenses

Accrued expenses as of March 31, 2015 and 2014 consisted of the following:

	2015	2014
	$	$
Employee bonus and vacation	**1,377,313**	942,953
Employer 401(k) contribution	**45,573**	36,173
Professional fees	**22,500**	23,395
	1,445,386	1,002,521

Note 3 – Income Taxes

The provision for (benefit from) income taxes for the years ended March 31, 2015 and 2014 is comprised of the following:

	2015	2014
	$	$
Current provision:		
Federal	**790,063**	392,990
State	**260,000**	143,500
	1,050,063	536,490
Deferred benefit:		
Federal	**(106,524)**	(59,713)
State	**(29,289)**	(17,371)
	(135,813)	(77,084)
Total	**914,250**	459,406

Significant components of activities that gave rise to the deferred tax assets and liabilities included in the financial statements are as follows:

	2015	2014
	$	$
Deferred tax liabilities (assets):		
Depreciation and amortization	**295,814**	261,954
Accrued expenses and allowance for doubtful accounts	**(233,171)**	(63,498)
Net deferred tax liability	**62,643**	198,456

Note 4 – Related Party Transactions

The Company obtained consulting support services and related expenses from its parent company, Citisoft Plc, during the years ended March 31, 2015 and 2014 totaling $3,229,604 and $4,208,890, respectively. These services were in turn billed to the Company's customers in the amounts at which it was invoiced by Citisoft Plc. At March 31, 2015 and 2014, the Company was indebted to its parent company Citisoft Plc in the amount of $ 1,313,975 and $ 1,559,006 in connection with consulting support services, the 2002 acquisition of the Rowan Group, charges for inter-company loaned staff and other working capital advances. At March 31, 2015 and 2014, the Company had the following related party balances due to Citisoft Plc:

	2015	2014
	$	$
Intercompany advances	**679,105**	679,105
Accounts payable	**634,870**	879,901
Accounts receivable	**-**	(8,885)
Amount due to Citisoft Plc	**1,313,975**	1,550,121

Note 5 – Contingencies and Commitments

Real Estate Lease Agreement

The Company has an operating lease for its office premises through April 30, 2016. The Company is contingently liable for the performance of certain customary obligations associated with office premise leases and that performance is secured by a collateralized letter of credit issued by the Company's primary bank. The collateral is included on the balance sheet at March 31, 2015 and 2014 as part of security deposits in the amount of $ 25,466, for both years. Management fully expects to comply with all of the related lease obligations and provisions. Total rent expense for the years ended March 31, 2015 and 2014 amounted to approximately $ 172,000 and $ 155,000, respectively.

The following is a schedule by years of future minimum rental payments required under the real estate lease agreement as of March 31, 2015:

Year Ended March 31,	**Amount**
	$
2015	170,104
2016	14,214
Total minimum payments	184,318

Note 6 – Common Stock

As of March 31, 2015 and 2014, the Company has authorized 1,000 shares of common stock with a $ 0.01 par value, of which 1,000 shares were issued and outstanding. All of the outstanding shares are held by the parent company, Citisoft Plc.

Note 7 – Significant Customers

During the years ended March 31, 2015 and 2014, approximately $ 17,000,000 and $ 12,200,000 of the Company's sales, including amounts billed for consulting revenue by affiliate, were to three and two customers, respectively. Amounts due from these customers and included in accounts receivable, trade, at March 31, 2015 and 2014 amounted to approximately $ 2,400,000 and $ 2,740,000, respectively.

Note 8 – 401(k) Savings Plan

The Company has in effect a qualified deferred savings and profit sharing retirement (Section 401(k)) plan for all eligible employees. Each employee participant may elect to defer compensation to the plan pre-tax, subject to Internal Revenue Service limitations. In addition, the plan provides for the Company to make a matching contribution on behalf of each participant which amounted to approximately $ 167,000 and $ 199,000 during the years ended March 31, 2015 and 2014, respectively.

While the Company expects to continue the plan indefinitely, it has reserved the right to modify, amend or terminate the plan. In the event of termination, the entire amount contributed under the plan must be applied to the payment of benefits to the participants or to their beneficiaries, as defined in the plan, of each participant

Note 9 – Supplemental Disclosure Cash Flow Information

Cash paid for income taxes during the years ended March 31, 2015 and 2014 consists of the following:

	2015	2014
	$	$
Income taxes, net of refunds	**447,664**	761,029

NEW vC SERVICES PRIVATE LIMITED

Board of Directors

Mr. Narinder Singh Sethi
Mr. Uttiya Sengupta

Registered Office

Wing 1, Oberoi Garden Estate,
Chandivalli, Andheri (E),
Mumbai - 400072, Maharashtra
INDIA

Bankers

Kotak Mahindra Bank
HDFC Bank
ICICI Bank

Auditors

M Bhaskara Rao & Co

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 12th Annual Report on the business and operations of the Company together with Audited Accounts of the Company for the period ended March 31, 2015.

Financial Highlights

During the year ended 31st March, 2015, the Company earned an income of ₹ 25.24 crs {including interest income}. After meeting the expenses and taxes, the operations resulted in net profit of ₹ 3.14 crs.

Business Overview

Existing position of the Company

During the year under review, your Company has successfully retained key customers, renewed contracts and acquired new businesses. Your Company offers innovative services that deliver measurable business value to its customers. The Company help its clients focus on their core competencies and cut costs, thereby improving their efficiency levels and profitability enabling them to be more competitive in their respective markets.

The Company has expanded its sales network across globe. We combine Service Provider and Industry Level initiatives to facilitate the wider adoption of standards and best practices. The Company is making a shift to providing its clients with high-value services rather than just minimizing or saving costs and foresee a significant growth opportunity in the ITES services.

There are no material changes which will affect the company

There are no orders passed by the regulators or courts or tribunals which would impact the going concern status and company's operations in future.

Share Capital

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 90,000,000 comprising of 90,00,000 equity shares of face value Rs 10/- each.

Auditors

The statutory Auditors, M/s M. Bhaskara Rao & Co, Chartered Accountants, Hyderabad retire at the ensuing Annual General Meeting and are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company.

The Board recommends the re-appointment of M/s. M. Bhaskara Rao & Co., Chartered Accountants as the Statutory Auditors of the Company.

There were no qualifications in the Auditor's report for the FY 2014-15.

Fixed Deposits

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Loans/Advances

The Company has not accepted any deposits from the public or its employees during the year under review.

Dividend

The Directors did not recommend payment of any dividend for the period ended March 31, 2015.

Meetings of the board

The Company held a minimum of one board meeting in every quarter. During the year ended March, 2015 four Board Meetings were held on, April 25, 2014, July 25, 2014, October 17, 2014 and January 16, 2015. The intervening gap between the meetings was as prescribed under the Companies Act, 2013.

Directors

Pursuant to the provisions of section 152(6)(c) of the Companies Act 2013, Mr. Narendra Singh Sethi Director is liable to retire by rotation and being eligible offer himself for reappointment.

Committees of the Board

Your Company falls below the ceiling limits specified in Rule 7 of The Companies (Meetings of Board and its Powers) Rules,2014 hence the provisions of forming and disclosing details of Committees under Section 134, 135(2), 177(8), 178, of Companies Act, 2013 are not applicable.

Key Managerial Personnel

The disclosure of KMP's is not required since the provisions of section 134(3) (q) of Companies Act, 2013 and the Companies Rules (Accounts), 2014 are not applicable to your company.

Internal Auditor

Internal Auditors are not appointed, since your company doesn't fall in the ceiling limit specified under Section 138 of Companies Act, 2013 and The Companies (Accounts) Rules, 2014.

Board Evaluation and Remuneration Policy

Your board has not formulated policies for its Evaluation and Remuneration since the company falls below the ceiling limit specified under Section 134(3)(e) of The Companies Act,2013 and The Companies(Meetings of Board and Powers) Rules,2014.

Corporate Social Responsibility (CSR)

The guidelines prescribed under section 135 of the Companies Act 2013, are not applicable, since the Company falls below the ceiling limits prescribed thereunder.

Related party transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are approved by the Board. **Form AOC 2** is annexed herewith as **Annexure D.**

Risk management policy

The Company risk management is forming part of the risk management framework adopted by the Holding Company, wherein the elements of risks are overviewed for the organization as a whole including its subsidiaries.

Whistle blower mechanism

Whistle Blower mechanism is forming part of the Holding Company's Code of Ethical Business Conduct Policy which is applicable to all its subsidiaries. The policy sets out ways through which the stakeholders can raise concerns that relate to actual or suspected violations to the Corporate Ombudsman office.

Subsidiaries

Your Company has one wholly owned subsidiary viz., customer Philippines Inc and its step down subsidiary viz., vCustomer Philippines (CEBU) Inc. This company earned revenue of Philippine Pesos P 55,48,83,479 and profit of Philippine Pesos P 1,80,66,383

Form AOC 1 is attached as an **Annexure C**

Anti-Sexual Harassment Policy

As for protection against sexual harassment, the company has formed an internal Redressal committee to which employees can write their complaints. Also the Company has Anti sexual harassment policy framed by the Holding Company including for its subsidiaries in which it formalized a free and fair enquiry process with clear timeline. During the year under review, there are no such complaints filed in this regard.

Particulars of Employment

There are no employees in respect of whom particulars are required to be furnished under section 197 (12) of the Companies Act, 2013, read with the Companies (Remuneration of Managerial Personnel) Rules 5, 2013.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure 'E**'

Acknowledgement

The Board would like to thank all the valued customers, suppliers, Government officials, and Banks for the excellent support and co-operation extended by them to your Company. The Board also acknowledges the all-round concerted efforts of employees at all levels.

For New vC Services Private Limited

Place : Mumbai **Narinder Singh Sethi**

Date : May 04, 2015 **Director**

Annexure 'A'

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

A. Conservation of energy & Technology Absorption:

Your Company uses electrical energy for its equipment such as air-conditioners, computer terminals, lighting and utilities at work places. As an on -going process, the Company continued to undertake the following measures to conserve energy:

- Incorporating new technologies in the air conditioning system in the upcoming facilities, to optimize power consumption
- Identification and replacement of low efficient machinery (AC)
- Identification and replacement of out dated and low efficient UPS systems
- Conducting continuous conservation awareness and training sessions for operational personnel

Technology Absorption: The Company has not undertaken any R&D activity in any specific area during the year under review, and hence no cost has been incurred towards the same.

Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings and Outgo are recorded at the exchange rates prevailing at the date of Transaction. During the year, the foreign exchange inflow and outflow details are below:

Foreign Exchange Outgo: ₹ 18,02,00,391

Foreign Exchange Inflow: ₹ 48,09,621.

Annexure 'B'

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013 the Board of Directors' confirm that:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ; and

(iv) The Directors have prepared the annual accounts for the period ended 31st March 2015 on a going concern basis.

(v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For New vC Services Private Limited

Place : Mumbai **Narinder Singh Sethi**

Date : May 04, 2015 **Director**

Annexure 'C'

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs): **FY 2014-2015**

Particulars	**vCustomer Philippines**	**vCustomer Philippines (CEBU) ***
1. Sl. No. (Registration #)	CS201002720	CS201100951
2. Name of the subsidiary	**vCustomer Philippines, Inc**	**vCustomer Philippines(CEBU), Inc.**
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2015	March 31, 2015
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Philippine Peso (Php) USD Rate : 44.796	Philippine Peso (Php) USD Rate : 44.796
5. Share capital	Php 9,656,044	Php 9,500,000
6. Reserves & surplus	Php 118,770,974	Php 44,941,783
7. Total assets	Php 178,763,526	Php 148,349,947
8. Total Liabilities	Php 50,336,508	Php 93,908,164
9. Investments	Php9,499,950	-
10. Turnover	Php 373,498,812	Php 181,384,667
11. Profit before taxation	Php6,969,039	Php 13,721,357
12. Provision for taxation	Php 2,624,013	-
13. Profit after taxation	Php 4,345,026	Php 13,721,357
14. Proposed Dividend		
15. % of shareholding	**New vC Services Private Limited (formerly Value Fincon Private Limited.) - 100%**	**vCustomer Philippines, INC. - 100%**

*** vCustomer Philippines (CEBU) is step down subsidiary of New vC services Private Limited**

For New vC Services Private Limited

Place : Mumbai **Narinder Singh Sethi**

Date : May 04, 2015 **Director**

Annexure 'D'

FORM AOC 2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis**
   There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2015, which were not at arm's length basis.
2. **Details of material contracts or arrangement or transactions at arm's length basis**
   (a) Name(s) of the related party and nature of relationship

   Holding Company - Tech Mahindra Limited

   Subsidiary Company
   - V Customer Philippines Inc

   Step down Subsidiary Company
   - V Customer Philippines (Cebu) Inc.,

   Fellow Subsidiary –
   - Tech Mahindra BPO Limited
   - Tech Mahindra Limited, PHP Branch
   - Tech Mahindra (Americas) Inc.,
   - Comviva Technologies Limited

   Key Managerial Personnel
   Narinder Sethi
   Uttiya Sengupta

(b) Nature of contracts/arrangements/transactions : NIL

(c) Duration of the contracts / arrangements/transactions : NA

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Description	Transactions during the year ended March 31, 2015				Transactions during the year Ended March 31, 2014			
	Holding Company	Subsidiary Company & Step down Subsidiary	Fellow Subsidiary	Key Management Personnel	Holding Company	Subsidiary Company & Step down Subsidiary	Fellow Subsidiary	Key Management Personnel
Advances from /(to)/ Advances Recievables	1026167	-	653612	-	7661893	6725655	614675	-
Services received / Purchases	66,911,354		180,200,391	-	27,865,253	-	195,723,156	-
CSR Expenses	-	-	-	-	-	-	-	-
Reimbursement-Compensation and Benefit	840745	-	3860528	-	2344140	-	15906748	-
Purchase of Assets	-	-	4542328	-	-	-	8829212	-
Reimbursement of expenses (Net)	(41,902,137)	41064	261691	-	(47,175,867)	6725655	418059	-
Trade Recievables	52,054,187	-	-	-	6066290	-	11099102	-
Other Current Liabilities	7661829	-	1006974	-	10912288	-	8983147	-

(e) Date(s) of approval by the Board, if any: April 25, 2014, July 25, 2014, October 17, 2014 and January 16, 2015

(f) Amount paid as advances, if any: NA

For New vC Services Private Limited

Place : Mumbai **Narinder Singh Sethi**

Date : May 04, 2015 **Director**

Annexure 'E'

Extract of Annual Return

As on the financial year ended 31.03.2015
[Pursuant to section 92(3) of the companies act, 2013, and rule 12(1) of the Companies (Management and Administration) rules, 2014]

Form no. MGT – 9

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- U74140MH2003PTC254737

ii) Registration Date: 21/05/2003

iii) Name of the Company: New vC Services Private Limited

iv) Category / Sub-Category of the Company

v) Address of the registered office and contact details: Wing 1, Oberoi Garden Estate , Chandivali, Andheri (E),Mumbai, Maharashtra INDIA 400072

vi) Whether listed company: No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Services	6202	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING /SUBSIDIARY /ASSOCIATE	% OF SHARES HELD
1.	Tech Mahindra Limited	L64200MH1986PLC041370	Holding	100%
2.	V Customer Philippines Inc.,	CS201002720	Subsidiary	100%
3.	V Customer Philippines (Cebu) Inc	CS201100951	Step Subsidiary	100%

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER									
(1) Indian									
a) LIndividual/HUF									
b) Central Govt.									
c) State Govt .(s)									
d) Bodies Corp.	Nil	90,00,000	90,00,000	100%	Nil	90,00,000	90,00,000	100%	Nil
e) Banks / FI									
f) Any other….									
Sub-total (A) (1):-	**Nil**	**90,00,000**	**90,00,000**	**100%**	**Nil**	**90,00,000**	**90,00,000**	**100%**	**Nil**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals									
b) Other -Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any other….	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-									
Total shareholding of Promoter									
(A) =(A)(1)+(A)(2)									
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
Sub-total (B)(1):-									
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (Specify)									
Sub-total (B) (2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	**Nil**	**90,00,000**	**90,00,000**	**100%**	**Nil**	**90,00,000**	**90,00,000**	**100%**	**Nil**

(ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year		
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares
1.	Tech Mahindra Limited	8999999	100%	NA	8999999	100%	NA
2.	Tech Mahindra Limited jointly with Rakesh Soni	1	negligible	NA	1	negligible	NA
	Total	**90,00,000**	**100%**		**90,00,000**	**100%**	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	NA	NA	NA	Negligible
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/sweat equity etc):	NA	NA	NA	NA
	At the End of the year	NA	NA	NA	NA

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year · Addition · Reduction	Nil	Nil	Nil	Nil
Net Change				
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

B. Remuneration to other Directors: Narinder Sethi and Uttiya Sengupta were not paid any salary, as they are in the rolls of Holding Company.

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager Narendra Singh Sethi (WTD)				Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961					
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify…					
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors: Nil

S. No.	**Particulars of Remuneration**	**Name of Directors**				**Total Amount**
		Narendra Singh Sethi	Uttiya Sengupta			
	3. Independent Directors ● Fee for attending board /committee meetings ● Commission ● Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	4. Other Non-Executive Directors ● Fee for attending board /committee meetings ● Commission ● Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD- NA

S. No.	**Particulars of Remuneration**	**Key Managerial Personnel**			
		Whole time Director	**Company Secretary**	**CFO**	**Total Amount**
1.	**Gross salary** (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	- NIL	- - - -	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	NIL	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

INDEPENDENT AUDITORS' REPORT

To
The Members of
New vC Services Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of New vC Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) In our opinion and according to information and explanations given to us, there are no financial transactions or matters which have any adverse effect on the functioning of the Company.

(f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has no pending litigation as on March 31, 2015 requiring disclosure in the financial statements.

ii. the Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S

M. V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, May 4, 2015

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of New vC Services Private Limited)

(i) In respect of its Fixed Assets:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) The company has programme of verification wherein fixed assets are physically verified once in every three years, which, in our opinion is at reasonable intervals having regard to the size of the Company and the nature of its assets. Accordingly, no verification was conducted during the year; hence reporting relating to adjustment of differences if any does not arise.

(ii) The Company is a service company, primarily rendering IT enabled and BPO services. It did not hold any inventory during the year and accordingly requirements of para 3(ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, no loans, secured or unsecured were granted to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and accordingly para 3(iii) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased /services availed are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. We have not observed any continuing failure to correct major weaknesses in such internal controls.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of section 73 to 76 of the Companies Act 2013 apply. Accordingly para 3(v) of the Order is not applicable to the Company.

(vi) In our opinion and according to the information and explanations given to us, the provisions of Section 148(1) of the Companies Act, 2013 relating to maintenance of cost records are not applicable to the Company at present.

(vii) In respect of statutory dues

(a) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year.

(b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of, income tax, sales tax, wealth tax, service tax, customs duty, value added tax and cess which were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax or duty of customs or duty of excise or value added tax or cess that have not been deposited on account of any dispute.

(d) In our opinion, the provisions of para 3(vii)(c) of the Order relating to investor education and protection fund are not applicable to the Company at present.

(viii) The Company does not have accumulated losses as at March 31, 2015 and has not incurred cash losses during the financial covered by our audit and the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Company does not have any borrowings and accordingly the provisions of para 3(ix) of the Order are not applicable to the Company at present.

(x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) The Company has not obtained any term loans during the year and accordingly the provisions of para 3(xi) of the Order are not applicable to the Company at present.

(xii) During the course of our examination of the books and other records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instance of fraud on or by the Company was reported during the year, nor have we been informed of such case by the management.

for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S

M. V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, May 4, 2015

BALANCE SHEET AS AT 31 MARCH 2015

(In ₹)

	Note	**As at March 31, 2015**		As at March 31, 2014	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	3	**90,000,000**		90,000,000	
Reserves and surplus	4	**94,664,711**		63,257,468	
			184,664,711		153,257,468
Non - current liabilities					
Long - term provisions	5		**3,230,000**		5,107,000
Current liabilities					
Trade payables	6	**8,943,942**		7,472,189	
Other current liabilities	7	**10,210,784**		22,424,074	
Short - term provisions	8	**2,829,000**		3,478,000	
			21,983,726		33,374,263
Total			**209,878,437**		191,738,731
ASSETS					
Non - current assets					
Fixed assets	9				
Tangible assets		**4,233,261**		10,158,070	
Intangible assets		**1,101,975**		1,676,931	
Capital work in progess		**22,137,380**		8,829,212	
Non - current investments	10	**61,750,000**		61,750,000	
Deferred tax asset (Net)	11	**2,414,501**		1,487,787	
Long - term loans and advances	12	**4,252,271**		4,074,281	
			95,889,388		87,976,281
Current assets					
Trade receivables	13	**52,054,187**		17,165,392	
Cash and bank balances	14	**54,118,593**		64,899,841	
Short - term loans and advances	15	**6,582,536**		21,572,500	
Other current assets	16	**1,233,733**		124,717	
			113,989,049		103,762,450
Total			**209,878,437**		191,738,731
Corporate Information and Significant accounting policies	1 & 2				

Accompanying notes form an intergral part of the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

for New vC Services Private Limited

M. V. Ramana Murthy
Partner

Uttiya Sengupta
Director

Narinder Sethi
Director

Kaustubh Bhadekar
Company Secretary

Hyderabad, May 04, 2015

Noida, May 04, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(in ₹)

	Note	Year ended March 31 , 2015		Year ended March 31 , 2014	
Revenue					
Revenue from operations	17	**247,111,745**		223,588,409	
Other Income	18	**5,306,076**		3,350,606	
Total			**252,417,821**		226,939,015
Expenses					
Employee benefits expense	19	**135,728,147**		124,097,057	
Depreciation and amortization expense	9	**9,246,772**		8,787,206	
Finance costs	20	**86,862**		53,693	
Other expenses	21	**60,864,673**		54,190,578	
Total			**205,926,454**		187,128,534
Profit Before Tax			**46,491,367**		39,810,481
Tax expense					
- Current tax			**16,010,838**		13,656,756
- Deferred tax			**(926,714)**		(551,960)
Profit for the year after tax			**31,407,243**		26,705,685
Earnings per equity share of face value of ₹ 10 each					
Basic and Diluted - ₹	23		**3.49**		2.97
Corporate Information and Significant accounting policies	1 & 2				

Accompanying notes form an intergral part of the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

for New vC Services Private Limited

M. V. Ramana Murthy
Partner

Uttiya Sengupta
Director

Narinder Sethi
Director

Kaustubh Bhadekar
Company Secretary

Hyderabad, May 04, 2015

Noida, May 04, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(in ₹)

	Year ended March 31, 2015	Year ended March 31, 2014
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	**46,491,367**	39,810,481
Adjustments for:		
Depreciation and amortisation	**9,246,772**	8,787,206
Interest income	**(5,306,076)**	(3,350,606)
Loss / (Gain) on Sale of Assets	**-**	804,876
Unrelaized forex fluctuation loss	**49,056**	136,776
Operating profit before working capital changes	**50,481,119**	46,188,733
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans and advances - long term	**-**	-
Loans and advances - Short term	**14,989,964**	(5,920,356)
Trade Receivables	**(34,888,795)**	8,998,590
Other current assets	**-**	1,752,366
Adjustments for increase / (decrease) in operating liabilities:		
Long Term Provisions	**(1,877,000)**	(1,843,000)
Short term borrowings	**-**	-
Trade Payables	**1,471,753**	(3,210,747)
Short Term Provisions	**(649,000)**	(917,000)
Other Current Liabilities	**(13,220,264)**	5,507,000
Cash from operations	**16,307,777**	50,555,586
Net income tax paid	**(16,188,830)**	(15,012,351)
Net cash flow from operating activities (A)	**118,947**	35,543,235
B. Cash flow from investing activities		
Sale of Assets	**-**	-
Purchase of Assets / Capital Work in Progress	**(15,048,200)**	(4,195,326)
Bank balances not considered as Cash and Cash Equivalents	**(29,975,000)**	(15,025,000)
Interest received	**4,197,060**	3,225,889
Net cash flow from / (used in) investing activities (B)	**(40,826,140)**	(15,994,437)

(in ₹)

	Year ended March 31, 2015	Year ended March 31, 2014
C. Cash flow from financing activities		
Issue of equity share capital	**-**	-
Net cash flow from / (used in) financing activities (C)	**-**	-
Effect of exchange difference on translation of foreign currency Cash and Cash equivalents	**(49,056)**	(136,776)
Net increase in Cash and cash equivalents (A+B+C)	**(40,756,249)**	19,412,022
Cash and cash equivalents at the beginning of the year	**49,874,841**	30,462,819
Cash and cash equivalents at the end of the year	**9,118,593**	49,874,841

Notes:

1) The Cash Flow Statement is prepared in accordance with the indirect method stated in Accounting Standard 3 on Cash Flow Statement and presents the cash flows by operating, investing and financing activities
2) Figures in bracket represents cash outflows.
3) Figures of previous period have been regrouped/re-arranged wherever necessary to conform to the current period presentation.

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M. V. Ramana Murthy
Partner

Hyderabad, May 04, 2015

for New vC Services Private Limited

Uttiya Sengupta
Director

Narinder Sethi
Director

Kaustubh Bhadekar
Company Secretary

Noida, May 04, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information

New vC Services Private Limited ("the Company") was incorporated as a Private Limited Company domiciled in New Delhi, India. The Company is engaged in the business of IT enabled services rendering voice and web based customer care, back office support, transaction and data processing services.

2. Significant Accounting Policies

2.1 Basis of Accounting and Preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable in accordance with the accounting principles generally accepted in India.

2.2 Use of estimates

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

2.3 Revenue recognition

The Company derives revenue from outsourcing services which are based on time and material or cost plus mark-up basis. Revenue is recognized as related services are performed in accordance with the mark-up/ rates specified in the agreements. This includes amount accrued but not billed on services performed but to be billed in the subsequent periods in accordance with the terms of the contract.

2.4 Fixed Assets and Depreciation/Amortisation

Fixed assets are carried at cost of acquisition (including incidental cost related to the acquisition and installation) of fixed assets. Fixed assets under construction, advances paid towards acquisition of fixed assets and the cost of assets not put to use before the year-end, are presented as capital work-in- progress.

Depreciation / amortisation on fixed assets including assets taken on lease is charged based on straight line method on an estimated useful life. Depreciation is charged on a pro rata basis for assets purchased or sold during the period. The management's estimates of useful lives of various fixed assets purchased are as follows:

Asset Type	Useful Life
Leasehold improvements	3 years or period of lease, whichever is minimum
Computers (including networking equ ipment)	3 years
Office equipments	5 years
Furniture and fixtures	3 years
Software	3 years

2.5 Investments

Investments are classified as long term and current investments. Long term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

2.6 Leases

Lease payments under an operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

2.7 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the period end rates. The exchange differences between the rate prevailing on the date of transaction and on the date of settlement / translation of monetary items at the end of the period is recognised as income or expense, as the case may be.

2.8 Employee Benefits

Employee benefit includes Defined Contribution plan and Defined Benefit plan. Provident fund, superannuation fund and employee state insurance scheme are defined contribution plan. Gratuity fund and compensated absences are defined benefit plans.

Contribution to Provident fund is charged as expense, being a defined contribution plan. Liability for compensated absences (treated as long term liability) and gratuity is provided on the basis of valuation of the liability by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method.

2.9 Taxes on Income

Tax expense comprises of current tax and deferred tax.

Current tax is measured at the amount expected to be paid to/recovered from the tax authorities.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss in the year of change. Deferred tax assets and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets other than unabsorbed depreciation and business losses are recognized and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unabsorbed depreciation and business losses are recognized only to the extent of virtual certainty of their realisability.

2.10 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with the Accounting Standard – 20 “Earnings per shares”.

Basic earning per equity shares is computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing the net profit for the year adjusted for the effects of diluted potential equity shares, attributable to the equity shareholders by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the results are anti dilutive.

2.11 Impairment of assets

At each balance sheet date, the Company assess whether there is any indication of impairment of the carrying amount of fixed assets. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the statement of profit and loss to the extent carrying amount exceeds recoverable amount.

2.12 Provisions and Contingent Liabilities

A provision is recognized 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 reliable estimate can be made. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. A contingent asset is neither recognized nor disclosed in the financial statements.

3. Share Capital

	As at March 31, 2015		As at March 31, 2014	
	Number of shares	**Amount (in ₹)**	Number of shares	Amount (in ₹)
Authorised Capital				
Equity Shares of ₹ 10/- each	**9,000,000**	**90,000,000**	9,000,000	90,000,000
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10/- each	**9,000,000**	**90,000,000**	9,000,000	90,000,000
	9,000,000	**90,000,000**	9,000,000	90,000,000

3.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2015		As at March 31, 2014	
	Number of shares	**Amount (in ₹)**	*Number of shares*	*Amount (in ₹)*
Balance at the beginning of the year	**9,000,000**	**90,000,000**	9,000,000	90,000,000
Add: Alloted during the year	**-**	**-**	-	-
Balance at the end of the year	**9,000,000**	**90,000,000**	9,000,000	90,000,000

3.2 Rights, preferences and restrictions attached to equity shares

The equity shares of the Company having par value of n 10/- per share, rank pari passu in all respects including entitlement to dividend. Repayment of the capital in the event of winding up of the Company will inter alia be subject to the provisions of Companies Act 2013, the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.

3.3 Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2015		As at March 31, 2014	
Equity shares of ₹10 each held by Holding Company	**Number of shares**	**Amount (in ₹)**	*Number of shares*	*Amount (in ₹)*
Tech Mahindra Limited	**9,000,000**	**90,000,000**	9,000,000	90,000,000

3.4 Details of shares held by each shareholders holding more than 5% shares in the company

	As at March 31, 2015		As at March 31, 2014	
	Number of Shares held	**% of Holding**	*Number of Shares held*	*% of Holding*
Tech Mahindra Limited*	**9,000,000**	**100.00%**	9,000,000	100.00%

*(including one share held by nominee)

(in ₹)

	As at March 31, 2015	As at March 31, 2014
4. Reserves and Surplus		
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	**63,257,468**	36,551,783
Add: Profit for the period after tax	**31,407,243**	26,705,685
Closing Balance	**94,664,711**	63,257,468
5. Long Term Provisions		
Provision for Employee Benefits *(Refer note 5.1)*		
Compensated Absences	**379,000**	1,071,000
Gratuity	**2,851,000**	4,036,000
Total	**3,230,000**	5,107,000

5.1 Employee Benefits Disclosure

Defined-Contribution Plans

The Company makes contribution towards employees' provident fund, employees' state insurance scheme and other funds. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes. The Company recognised ₹47,17,322 (31.03.2014: ₹42,65,210) as expense towards contributions to these plans.

(in ₹)

	Year ended March 31, 2015	Year ended March 31, 2014
Employees' Provident fund	**4,293,621**	3,915,476
Employees' state insurance scheme	**417,653**	345,462
Labour welfare fund	**6,048**	4,272
	4,717,322	4,265,210

Defined–Benefits Plans

The Company operates an unfunded gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act. Company liability is determined annually by independent actuary using projected unit credit method.

i. Change in benefit obligation

(in ₹)

	As at March 31, 2015	As at March 31, 2014
Present value of obligation at the beginning of the year	**6,072,000**	7,441,000
Current Service Cost	**637,000**	841,000
Interest Expenses	**509,000**	546,000
Actuarial (Gain) / Loss	**(2,159,363)**	(1,707,156)
Benefits Paid	**(824,637)**	(1,048,844)
Present value of obligations at the end of the year	**4,234,000**	6,072,000

ii. Amount recognised in the Balance Sheet

Present value of defined benefit obligations	**4,234,000**	6,072,000
Fair value of Plan Assets	**-**	-
Net liability/(asset) recognised in the balance sheet	**4,234,000**	6,072,000

iii. Expenses recognised in profit & Loss Account

Current service costs	**637,000**	841,000
Interest expense	**509,000**	546,000
Expected return on investment	**-**	-
Net actuarial gain/(loss) recognized during the year	**(2,159,363)**	(1,707,156)
Expenditure recognized in Profit and Loss account	**(1,013,363)**	(320,156)

iv. Balance Sheet reconciliation

Net liability/(asset) at the beginning of the year	**6,072,000**	7,441,000
Expenses as above	**(1,013,363)**	(320,156)
Contribution paid	**(824,637)**	(1,048,844)
Net liability/(asset) at the end of the year	**4,234,000**	6,072,000

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and expense.

v. Acturial Assumptions used

(in ₹)

	As at March 31, 2015	As at March 31, 2014
Discount Rate	**7.80% p.a.**	9.00% p.a.
The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation		
Salary Escalation Rate	**8.00% p.a.**	8.00% p.a.
The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
Attrition Rate	**upto 30 year - 80% 30 to 44 years - 25% above 44 years - 0%**	upto 30 year - 80% 30 to 44 years - 25% above 44 years - 0%

Earned Leaves:

Long term leaves includes earned leaves. These have been provided on accrual basis, based on year end actuarial valuation. Company liability is determined by independent actuary using projected unit credit method.

i. Change in benefit obligation

(in ₹)

	As at March 31, 2015	As at March 31, 2014
Present value of obligation at the beginning of the year	**2,513,000**	3,904,000
Current Service Cost	**1,001,000**	1,096,000
Interest Expenses	**192,000**	284,000
Actuarial (Gain) / Loss	**(1,132,612)**	(2,156,310)
Benefits Paid	**(748,388)**	(614,690)
Present value of obligations at the end of the year	**1,825,000**	2,513,000

ii. Amount recognised in the Balance Sheet

Present value of defined benefit obligations	**1,825,000**	2,513,000
Fair value of Plan Assets	**-**	-
Net liability/(asset) recognised in the balance sheet	**1,825,000**	2,513,000

(in ₹)

		As at March 31, 2015	As at March 31, 2014
iii.	**Expenses recognised in profit & Loss Account**		
	Current service costs	**1,001,000**	1,096,000
	Interest expense	**192,000**	284,000
	Expected return on investment	**-**	-
	Net actuarial gain/(loss) recognized during the year	**(1,132,612)**	(2,156,310)
	Expenditure recognized in Profit and Loss account	**60,388**	(776,310)
iv.	**Balance Sheet reconciliation**		
	Net liability/(asset) at the beginning of the year	**2,513,000**	3,904,000
	Expenses as above	**60,388**	(776,310)
	Contribution paid	**(748,388)**	(614,690)
	Net liability/(asset) at the end of the year	**1,825,000**	2,513,000

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and expense.

v.	**Acturial Assumptions used**		
	Discount Rate	**7.80% p.a.**	9.00% p.a.
	The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation		
	Salary Escalation Rate	**8.00% p.a.**	8.00% p.a.
	The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
	Attrition Rate	**upto 30 year - 80% 30 to 44 years - 25% above 44 years - 0%**	upto 30 year - 80% 30 to 44 years - 25% above 44 years - 0%
6.	**Trade Payables**		
	Other than acceptances *(Refer note 6.1)*	**8,943,942**	7,472,189
	Sundry Creditors	**-**	3,246
	Accrued Expenses	**6,789,377**	4,978,301
	Payable to Employees	**1,364,332**	1,273,903
	Provision for Bonus	**790,233**	1,216,739
	Total	**8,943,942**	7,472,189

6.1 According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act have not been given.

(in ₹)

		As at March 31, 2015	As at March 31, 2014
7.	**Other Current Liabilities**		
	Other Payables		
	Statutory Dues	**1,541,981**	2,528,639
	Payable to Related Parties (Refer note 26)	**7,661,829**	10,912,288
	Dues for capital assets	**1,006,974**	8,983,147
	Total	**10,210,784**	22,424,074
8.	**Short Term Provisions**		
	Provision for Employee Benefits *(Refer note 5.1)*		
	Compensated absences	**1,446,000**	1,442,000
	Gratuity	**1,383,000**	2,036,000
	Total	**2,829,000**	3,478,000
10.	**Non Current Investments**		
	Trade (Unquoted)(At Cost)		
	In Subsidiaries		
	In 950,000 (31.03.2014: 950,000) Shares of PHP 10 each, fully paid up		
	vCUSTOMER PHILIPPINES INC.	**61,750,000**	61,750,000
	(Includes 5 shares held by nominees)		
	Total	**61,750,000**	61,750,000
	Aggregate amount of Unquoted Investments	**61,750,000**	61,750,000
	Aggregate market value of Quoted Investments	**-**	-

9. Fixed Assets

(in ₹)

	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
	Upto March 31, 2014	Additions	Deletion / Adjustment	As at March 31, 2015	Upto March 31, 2014	For the period	Deletion / Adjustment	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible Assets										
Leasehold improvements	2,255,556	907,031	-	**3,162,587**	266,253	1,003,798	-	**1,270,051**	**1,892,536**	1,989,303
Computers	23,266,521	1,639,336	-	**24,905,857**	15,186,148	7,610,242	-	**22,796,390**	**2,109,468**	8,080,374
Office Equipment	121,700	200,640	-	**322,340**	33,306	57,776	-	**91,082**	**231,258**	88,394
Furniture and Fixtures	-	-	-	**-**	-	-	-	**-**	**-**	-
Total	**25,643,777**	**2,747,007**	**-**	**28,390,784**	**15,485,707**	**8,671,816**	**-**	**24,157,523**	**4,233,261**	**10,158,070**
Previous Year	22,897,215	4,195,326	1,448,764	**25,643,777**	7,917,345	8,212,250	643,888	**15,485,707**	**10,158,070**	-
Intangible Assets										
Software	2,797,750	-	-	**2,797,750**	2,797,750	-	-	**2,797,750**	**-**	-
Goodwill	2,874,750	-	-	**2,874,750**	1,197,819	574,956	-	**1,772,775**	**1,101,975**	1,676,931
Total	**5,672,500**	**-**	**-**	**5,672,500**	**3,995,569**	**574,956**	**-**	**4,570,525**	**1,101,975**	**1,676,931**
Previous Year	5,672,500	-	-	**5,672,500**	3,420,613	574,956	-	**3,995,569**	**1,676,931**	-
Current Year	**31,316,277**	**2,747,007**	**-**	**34,063,284**	**19,481,276**	**9,246,772**	**-**	**28,728,048**	**5,335,236**	**11,835,001**
Previous Year	28,569,715	4,195,326	1,448,764	**31,316,277**	11,337,958	8,787,206	643,888	**19,481,276**	**11,835,001**	-
Capital Work in Progress									**22,137,380**	
Total Assets									**27,472,616**	

(in ₹)

	As at March 31, 2015	As at March 31, 2014
11. Deferred Tax Assets (Net)		
(i) Deferred Tax Asset on timing difference due to:		
Provision for Gratuity and Compensated Absences	**1,965,843**	2,785,403
Depreciation	**448,659**	-
(ii) Deferred Tax Liability on timing difference due to:		
Depreciation	**-**	(1,297,616)
Net Deferred Tax Asset (i) - (ii)	**2,414,501**	1,487,787
12. Long - term loans and advances		
Unsecured, considered good		
Advance Taxes and Tax Deducted at Source (Net of provisions n 4,79,86,385 (31.03.2014: n 3,19,75,547))	**4,252,271**	4,074,281
Total	**4,252,271**	4,074,281

13. Trade Receivable		
Unsecured, Considered good		
Outstanding for a period exceeding six months	**-**	-
Other receivables *(Refer note 26)*	**52,054,187**	17,165,392
Total	**52,054,187**	17,165,392

(in ₹)

	As at March 31, 2015	As at March 31, 2014
14. Cash and Bank Balances		
14.1 Cash and Cash Equivalents		
Cash in hand	**12,499**	-
Balances with banks		
In current accounts	**9,106,094**	49,874,841
	9,118,593	49,874,841
14.2 Other Bank Balances		
In Deposit Account	**45,000,000**	15,025,000
Total	**54,118,593**	64,899,841

(in ₹)

	Year ended March 31 , 2015	Year ended March 31 , 2014
15. Short - term loans and advances		
Unsecured, considered good		
Advances to related party *(Refer note 26)*	**1,679,779**	15,002,223
Advance to Suppliers and others	**582,675**	212,912
Prepaid Expenses	**2,613,373**	4,278,078
Advance to employees	**1,225,552**	1,260,469
CENVAT Credit Receivable	**481,156**	818,818
Total	**6,582,536**	21,572,500
16. Other Current Assets		
Unsecured, considered good		
Interest Accrued on Bank Deposits	**1,233,733**	124,717
Unbilled Revenue	**-**	-
Total	**1,233,733**	124,717
17. Revenue From Operations		
Income from services		
- Exports	**180,200,391**	195,723,156
- Domestic	**66,911,354**	27,865,253
Total	**247,111,745**	223,588,409
18. Other Income		
Interest income	**5,306,076**	3,350,606
Forex Income	**-**	-
Total	**5,306,076**	3,350,606
19. Employee Benefits Expenses		
Salaries and wages	**125,064,227**	115,539,780
Contribution to provident and other funds	**5,233,612**	4,406,745
Staff welfare expenses	**5,430,308**	4,150,532
Total	**135,728,147**	124,097,057
20. Finance Cost		
Bank Charges	**86,862**	53,693
Total	**86,862**	53,693

(in ₹)

	Year ended March 31, 2015	Year ended March 31, 2014
21. Other Expenses		
Rent (Refer note 22)	**12,796,608**	12,740,568
Transportation and conveyance	**23,935,244**	19,686,394
Electricity and power	**8,503,713**	6,871,140
Rates and taxes	**80,524**	46,489
Insurance	**58,722**	5,696
Communication expenses	**6,808,784**	4,442,572
Recruitment costs	**431,786**	79,727
Repair and Maintenance		
- Buildings	**1,077,485**	2,046,006
- Plant and Machinery	**1,695,241**	1,607,515
Legal and professional	**2,188,578**	2,352,623
Auditors' Remuneration *(Refer note 21.1)*	**500,000**	500,000
Information technology expenses	**1,312,979**	2,120,635
Advertisement and business promotion	**261,346**	360,514
Exchange fluctuation loss	**1,103,530**	136,776
Miscellaneous expenses	**110,135**	389,047
Loss on sale of assets	**-**	804,876
Total	**60,864,673**	54,190,578
21.1 Auditors' Remuneration		
(Excluding Service Tax and Education Cess thereon)		
Fee For:		
- Statutory Audit	**400,000**	400,000
- Tax Audit	**100,000**	100,000
	500,000	500,000

22. Lease

Lease payments recognised in the statement of profit and loss for the period – ₹ 1,27,96,608 (31.03.2014: ₹ 1,27,40,568)

23. Earnings Per Equity Shares

	Unit	Year ended March 31, 2015	Year ended March 31, 2014
Net profit after tax	In ₹	**31,407,243**	26,705,685
Weighted average number of equity shares outstanding during the period	In Nos.	**9,000,000**	9,000,000
Face Value of Equity Shares	In ₹	**10.00**	10.00
Basic and Diluted Earnings per Share *	In ₹	**3.49**	2.97

* The Company does not have dilutive instruments.

24. Segment Reporting

The Comapany's operations predominantly consist of BPO services. Hence there are no reportable segments under Accounting Standard -17. During the period under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

25. The Company is engaged in BPO services. The production and sale of such services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under paragraph 5(ii)(c) of general instructions for preparation of the Statement of Profit and Loss as per revised Schedule III to the Companies Act, 2013.

26. Related Party Transactions

26.1 List of related party and relationships

Particulars	Relationship
Tech Mahindra Limited	Holding Company
Tech Mahindra BPO Limited	Fellow Subsidiary Company
Tech Mahindra Limited, PHP Branch	Fellow Subsidiary Company
Tech Mahindra (Americas) Inc.*	Fellow Subsidiary Company
Comviva Technologies Limited	Fellow Subsidiary Company
vCustomer Philippines Inc.	Subsidiary Company
vCustomer Philippines (Cebu) Inc.	Step down Subsidiary
Narinder Sethi	Key Managerial Personnel
Uttiya Sengupta	Key Managerial Personnel

*vCustomer Services LLC is merged with Tech Mahindra (Americas) Inc. effective Feb 02, 2015

26.2 Related party transactions for the year ended March 31, 2015 are as follows:

(in ₹)

Nature of Services	Related Party	**Year ended March 31, 2015**	Year ended March 31, 2014
Income from Services	Tech Mahindra Limited	**66,911,354**	27,865,253
	Tech Mahindra Americas	**180,200,391**	195,723,156
Reimbursement - Compensation & Benefit	Tech Mahindra BPO Limited	**3,860,528**	2,344,140
	Tech Mahindra Limited	**840,745**	15,906,748
Purchase of Assets	Comviva Technologies Limited	**4,542,328**	8,829,212
Reimbursement of expenses (net)	Tech Mahindra Limited	**(41,902,137)**	(47,175,867)
	Tech Mahindra Limited,PHP Branch	**-**	56,797
	Tech Mahindra BPO Limited	**185,263**	259,253
	Tech Mahindra Americas	**76,428**	102,009
	vCustomer Philippines Inc.	**41,064**	4,167,614
	vCustomer Philippines (Cebu) Inc.	**-**	2,558,041
Trade Receivables	Tech Mahindra Limited	**52,054,187**	6,066,290
	Tech Mahindra Americas	**-**	11,099,102
Advances receivables	Tech Mahindra Limited	**1,026,167**	7,661,893
	Tech Mahindra BPO Limited	**648,546**	557,879
	vCustomer Philippines Inc.	**-**	4,167,614
	vCustomer Philippines (Cebu) Inc.	**-**	2,558,041
	Tech Mahindra Limited, PHP Branch	**-**	56,796
	Tech Mahindra Americas	**5,066**	-
Other current liabilities	Tech Mahindra Limited	**7,661,829**	10,912,288
	Comviva Technologies Limited	**1,006,974**	8,983,147

27. Earnings in foreign currency

	Year ended March 31 , 2015	Year ended March 31 , 2014
		(in ₹)
Revenue	**180,200,391**	195,723,156

28. Expenditure in foreign currency

Communication expenses	**4,809,621**	3,324,419

29. Derivative Instruments

The period-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As on March 31, 2015		As on March 31, 2014	
	USD	**(in ₹)**	USD	(in ₹)
Amount receivable in foreign currency on account of:				
Trade Receivables	**-**	**-**	185,232	11,099,102
Cash and Bank Balances	**200**	**12,499**	541,384	32,439,756
Amount Payable in foreign currency on account of:				
Trade Payables	**46,761**	**2,922,314**	38,157	2,286,339

30. Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 2,49,980 (31.03.14: ₹ 35,95,200).

31. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current period classification / disclosure.

for New vC Services Private Limited

Uttiya Sengupta	**Narinder Sethi**	**Kaustubh Bhadekar**
Director	Director	Company Secretary

Noida, May 04, 2015

vCUSTOMER PHILIPPINES, INC.

Board of Directors

Mr. Anand Achuthan

Mr. Uttiya Sengupta

Mr. Narinder Singh Sethi

Ms. Lynette De Guzman

Mr. Danilo O. Cortina

Registered Office

3/F eCommerce Plaza, Eastwood Cyberpark,
Bagumbayan, Quezon City, Philippines

Bankers

Union Bank of the Philippines

Auditors

Constantino Guadalquiver & Co

DIRECTORS ' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of vCustomer Philippines, Inc. (vCPI) for the year ended March 31, 2015.

Financial Results (PHP)

For the years ended	**March 31, 2015**	March 31, 2014
Revenue	**Php 373,498,812**	Php 300,790,426
Profit	**Php 4,345,026**	Php 38,587,021

Review of Operations:

For the fiscal year ended March 31, 2015, vCPI reported revenue amounted to Php 373,498,812. An increase of 24% over the last reporting period year ended March 31, 2014. vCPI applied for Income Tax Holiday (ITH) extension for the period of November 1, 2013 to October 31, 2014. Profit for the fiscal year ended March 31, 2015 amounted to Php 4,345,026, 89% decrease over the last reporting period.

Future Plans and Appropriations

vCPI appropriated Php 118 million for planned business expansion, office renovations and equipment upgrade which is estimated to take place starting April 1, 2014 until March 31, 2016. vCPI is expecting engagement of additional account/clients and increase and employee head count.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Anand Achuthan

President

Lynette De Guzman

Chief Finance Officer

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors

vCustomer Philippines, Inc

Report on Financial Statements

We have audited the accompanying financial statements of vCustomer Philippines, Inc. (a wholly owned subsidiary of New vC Services Private Limited) which comprise the Parent Company statements of financial position as at March 31, 2015 and 2014, and the Parent Company statements of comprehensive income, Parent Company statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates mode by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Parent Company financial statements present fairly, in all material respects, the financial position of vCustomer Philippines, Inc. as at March 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities.

CONSTANTINO GUADALQUIVER & CO.

By:

ANNALYN B. ARTUZ
Partner
Makati City

April 21, 2015

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

(Amounts in Philippine Pesos ₱)

	Note	March 31 2015	2014
ASSETS			
Current Assets			
Cash	5	**33,867,413**	74,037,519
Receivables	6	**88,738,859**	52,838,665
Advances to a related party	13	**20,158,200**	45,427
Prepaid expenses	7	**6,392,967**	5,321,792
Refundable rental deposits	11, 19	**87,000**	82,000
Total Current Assets		**149,244,439**	132,325,403
Noncurrent Assets			
Property and equipment - net	8	**11,642,138**	6,241,743
Investment in a subsidiary	9	**9,499,950**	9,499,950
Software - net	10	**680,898**	105,560
Refundable rental deposits	11, 19	**7,696,101**	3,922,851
Total Noncurrent Assets		**29,519,087**	19,770,104
		178,763,526	152,095,507
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	12	**39,633,338**	19,836,418
Advances from a related party	13	**–**	3,035,213
Income tax payable - BIR	21	**773,636**	
Income tax payable - Local government	21	**515,758**	–
Total Current Liabilities		**40,922,732**	22,871,631
Noncurrent Liability			
Accrued retirement benefits costs	20	**9,413,776**	5,141,884
Total Liabilities		**50,336,508**	28,013,515
Equity	14		
Capital stock		**9,500,000**	9,500,000
Additional paid-in capital		**156,044**	156,044
Total Paid - in Capital		**9,656,044**	9,656,044
Retained earnings			
Appropriated		**118,000,000**	110,000,000
Unappropriated		**770,974**	4,425,948
Total Retained Earnings		**118,770,974**	114,425,948
Total Equity		**128,427,018**	124,081,992
		178,763,526	152,095,507

See accompanying Parent Company Notes to Financial Statements.

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Philippine Pesos ₱)

	Note	March 31 2015	2014
SERVICE REVENUE	13	**373,498,812**	300,790,426
COST OF SERVICES	17	**275,440,634**	177,625,455
GROSS PROFIT		**98,058,178**	123,164,971
OPERATING EXPENSES	18	**87,783,567**	91,779,658
PROFIT FROM OPERATIONS		**10,274,611**	31,385,313
FOREIGN EXCHANGE GAIN (LOSS) - Net	15	**(3,382,502)**	7,177,332
INTEREST INCOME	5	**76,930**	24,376
PROFIT BEFORE INCOME TAX		**6,969,039**	38,587,021
CURRENT INCOME TAX EXPENSE	21	**2,624,013**	–
NET PROFIT		**4,345,026**	38,587,021

See accompanying Parent Company Notes to Financial Statements.

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

(Amounts in Philippine Pesos ₱)

	Note	March 31 **2015**	2014
CAPITAL STOCK – ₱10 par value	14		
Authorized – 1,000,000 shares			
Issued and paid-up – 950,000 shares			
Balance at beginning and end of year		**9,500,000**	9,500,000
ADDITIONAL PAID-IN CAPITAL		**156,044**	156,044
RETAINED EARNINGS	14		
Appropriated			
Balance at beginning of year		**110,000,000**	72,000,000
Appropriation for business expansion		**8,000,000**	110,000,000
Reversal of appropriation		**-**	(72,000,000)
Balance at end of year		**118,000,000**	110,000,000
Unappropriated			
Balance at beginning of year		**4,425,948**	3,838,927
Appropriation for business expansion		**(8,000,000)**	(110,000,000)
Reversal of appropriation		**–**	72,000,000
Net profit during the year		**4,345,026**	38,587,021
Balance at end of year		**770,974**	4,425,948
Total Retained Earnings		**118,770,974**	114,425,948
		128,427,018	124,081,992

See accompanying Parent Company Notes to Financial Statements.

PARENT COMPANY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

(Amounts in Philippine Pesos ₱)

	Note	March 31 **2015**	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**6,969,039**	38,587,021
Adjustments for:			
Depreciation and amortization	17, 18	**4,794,601**	4,383,914
Retirement benefits costs	20	**4,271,892**	5,141,884
Unrealized foreign exchange loss (gain) - net	15	**3,137,890**	(6,441,528)
Interest income	5	**(76,930)**	(24,376)
Operating profit before working capital changes		**19,096,492**	41,646,915
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	6	**(37,718,088)**	19,846,113
Prepaid expenses	7	**(1,071,175)**	(2,153,259)
Increase in accounts payable and other current liabilities	12	**19,473,239**	1,894,035
Cash generated from (used in) operations		**(219,532)**	61,233,804
Income tax paid	21	**(1,334,619)**	–
Interest received	5	**76,930**	24,376
Net cash provided by (used in) operating activities		**(1,477,221)**	61,258,180
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances made to related parties	13	**(19,962,450)**	(1,501,886)
Acquisitions of:			
Property and equipment	8	**(9,903,105)**	(6,149,054)
Software	10	**(867,229)**	–
Payments for refundable rental deposits	19	**(3,778,250)**	(610,401)
Payments received for advances to related parties	13	**45,427**	1,479,864
Net cash used in investing activities		**(34,465,607)**	(6,781,477)
CASH FLOWS FROM A FINANCING ACTIVITY			
Payments made to a related party	13	**(3,035,213)**	–
Advances received from a related party	13	**–**	3,035,213
Net cash provided by (used in) financing activities		**(3,035,213)**	3,035,213
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	15	**(1,192,065)**	1,253,234
NET INCREASE (DECREASE) IN CASH		**(40,170,106)**	58,765,150
CASH AT BEGINNING OF YEAR		**74,037,519**	15,272,369
CASH AT END OF YEAR	5	**33,867,413**	74,037,519

See accompanying Parent Company Notes to Financial Statements.

PARENT COMPANY NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

vCustomer Philippines, Inc. (herein referred to as vCPI or the Parent Company) was registered with the Securities and Exchange Commission (SEC) on February 24, 2010. The primary purpose of the Parent Company is to carry on the business of providing services to customers in any part of the world through any and all medium of communication including internet and telephone including management services, solutions to business problems, web designing, customer relations, development/ production of software and software systems, data warehousing, data mining, processing and analysis of software and software systems, consultancy and advisory services in software and software systems, without operating as a public utility; to carry on the business of data processing and analysis including assimilation, sorting, processing and communication of data and graphs, development of computer analysis, software development, data preparation and verification, data analysis, data transmission and computation through the computer or other devices encompassing digital, analog and graphic processes and any other information technology; to undertake merchandising and logistics activities in the areas of electronic commerce, as well as other forms of commerce and commercial transactions; and to undertake the operation and management of e-mail services centers, customer response centers, computer education and training centers for the foregoing operations, loyalty incentive and motivation programmes, direct marketing activities, database management, back office support and all internet and web related work.

The Parent Company is a wholly owned subsidiary of New vC Services Private Limited (formerly Value Fincon Private Limited), a company organized and existing under the laws of India. New vC Services Private Limited is a subsidiary of Tech Mahindra Limited, a corporation also organized and existing under the laws of India.

The Parent Company's registered principal office address is at 3rd Floor, eCommerce Plaza, Eastwood Cyberpark, Quezon City.

Registration with the Philippine Economic Zone Authority (PEZA)

The Parent Company was registered with the Philippine Economic Zone Authority (PEZA) as an Ecozone IT Enterprise at the Eastwood City Cyberpark on March 29, 2010. The Parent Company took over the vCustomer Services India Private Limited (vSIPL) – Philippine Branch's (Philippine Branch) operations effective April 1, 2010. Relative to this, the employees of the Philippine Branch were transferred under Parent Company's employ, management and control effective April 1, 2010. The employment status was under the same terms and conditions as that of the Philippine Branch without any loss of seniority rights and diminution of the respective monthly compensation package. The employee's length of service with the Philippine Branch was credited and carried over to the services with the Parent Company.

As a PEZA-registered enterprise, the Parent Company is entitled to incentives granted to non-pioneer projects under Republic Act (RA) 7916, The Special Economic Zone Act of 1995, as amended, and the PEZA IT Guidelines, which include the corporate income tax holiday (ITH) for four (4) years for original project effective on the date of start of commercial operations and after the lapse of ITH, a 5% Gross Income Tax (GIT) incentive, in lieu of all national and local taxes.

On December 28, 2011, PEZA approved the Parent Company's application for extension of ITH based on Net Foreign Exchange Earnings (NFEE) criterion in accordance with EPZA (now PEZA) General Circular No. 94-001 and Rule XV, Section 6, Paragraph A(6) of the PEZA Rules. ITH extension was for the period of November 1, 2012 to October 31, 2013.

On May 23, 2014, PEZA approved the Parent Company's application for extension of ITH based on Capital Equipment to Labor Ratio (CELR) criterion in accordance with EPZA (now PEZA) Genera Circular No. 94-001 and Rule XV, Section 6, Paragraph A(6) of the PEZA Rules and BOI Board Resolution No. 28-9 S'2009. ITH extension was for the period November 1, 2013 to October 31, 2014.

Effective November 2014, vCPI's entitlement to ITH lapsed. Starting November 2014, vCPI's PEZA registered activities are subject to 5% GIT in lieu of all taxes.

The assets and properties owned by the Philippine Branch were transferred to the Parent Company at such price and on such terms and conditions decided jointly by authorized personnel on April 1, 2010.

On March 18, 2010, the Board of Directors of PEZA approved the transfer of all the rights, obligations and assets of the Philippine Branch under its Registration Agreement with PEZA dated July 16, 2008, as well as the transfer of the incentives of the project/s under the said agreement, to Parent Company subject to the following:

a. Upon Parent Company's signing of its Registration Agreement with PEZA for its take-over of the Philippine Branch's operations under its Registration Agreement with PEZA on July 16, 2008. All transactions relative to said project/operations (originally under the Philippine Branch) shall now be under Parent Company's name.

b. Prior to Parent Company's signing of the said Registration Agreement for its take-over of the Philippine Branch's said project/operation shall submit the necessary requirement to the PEZA Legal Services and PEZA – Enterprise Regulations Department.

Authorization for the Issuance of Financial Statements

The Parent Company's financial statements as of and for the years ended March 31, 2015 and 2014 were authorized for issue by the Board of Directors (BOD) on April 21, 2015.

2. Basis of Preparation

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency. All amounts are rounded to the nearest peso, except when otherwise indicated.

The Parent Company also prepares and issues consolidated financial statements for the same period as the separate financial statements present, in compliance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs), which may be obtained from SEC.

Statement of Compliance

The accompanying financial statements have been prepared in accordance with PFRS for SMEs. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3. Summary of Significant Accounting and Financial Reporting Policies

Financial Instruments

Financial assets and liabilities are recognized when the Parent Company becomes a party to the contracts. Basic financial instruments such as cash, debt instruments (account, notes, and loans receivable or payable) are initially measured at their transaction price including transaction costs. Subsequently, debt instruments are carried at amortized cost using the effective interest method. The amortized cost of the financial asset (liability) is the present value of future cash receipts (payments) discounted at the effective interest rate. Specifically, the amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Debt instruments that are classified as current assets and current liabilities are measured at their undiscounted amount of cash or other considerations expected to be paid or received. Financial assets and liabilities are considered current when these are expected to be realized within twelve (12) months after end of reporting date, or when these are due and demandable or to be settled upon demand. Other financial instruments are initially carried at transaction price and subsequently, at fair value through profit and loss. Where the future cash flows or fair value of financial instruments including debt instruments are not readily determinable nor can be measured reliably, the financial instruments are measured at cost less any impairment.

Specifically, the following financial assets and liabilities of the Parent Company are measured in accordance with the preceding policy as follows:

- Cash which includes cash in bank and cash on hand are stated at its face value.
- Trade receivables and payables, which are based on normal credit terms and do not bear interest, are stated at their original invoice amounts or accrued amounts.
- Non-trade receivables (excluding advances to employees subject to liquidation) and payables (excluding government regulated payables), advances to/from related parties, if any, are measured at the expected cash considerations to be received or paid.
- Rental deposits arising from lease of the office space from lessor are carried at cost less any impairment.

The Parent Company has no financial instruments that are carried at fair value through profit and loss.

Impairment of Financial Assets

At the end of each reporting period, the carrying amounts of financial assets are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss, and allowance for impairment is deducted from the related asset that is carried at cost or amortized cost.

Objective evidence that financial asset or group of assets is impaired includes observable data that come to the attention of the Parent Company such as but not limited to:

- Significant financial difficulty of the issuer or obligor
- A breach of contract, such as default or delinquency in interest or principal payments.

Derecognition of Financial Asset and Liabilities

The Parent Company derecognizes a financial asset when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the Parent Company transfers to another party substantially all the risks and rewards of ownership of the financial asset; or
- the Parent Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Parent Company shall:
  (i) derecognize the asset
  (ii) recognize separately any rights and obligations retained or created in the transfer

The carrying amount of the transferred asset shall be allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations shall be measured at their fair values at that date. Any difference between the consideration received and the amounts recognized and derecognized shall be recognized in profit or loss in the period of transfer.

If a transfer does not result in derecognition because the Parent Company has retained significant risks and rewards of ownership of the transferred asset, the Parent Company shall continue to recognize the transferred asset in its entirety and shall recognize a financial liability for the consideration received. The asset and liability shall not be offset. In subsequent periods, the Parent Company shall recognize any income on the transferred asset and any expense incurred on the financial liability.

The Parent Company derecognizes a financial liability or a part of financial liability only when it is extinguished i.e., when the obligation specified in the contract is discharged, is cancelled or expired.

Advances to suppliers

Advances to suppliers represents amounts paid in advance for services that are yet to be rendered and from which future economic benefits are expected to flow to the Company within the normal operating cycle or within 12 months from the balance sheet date. These are initially recorded at actual cash advanced and are subsequently applied against subsequent purchases.

Advances to Employees

Advances to employees represent amounts advanced for goods or services that are yet to be delivered and from which future economic benefits are expected to flow to the Parent Company within the normal operating cycle or within 12 months from the balance sheet date. These are initially recorded at actual cash advanced to employees and are subsequently applied against purchases of related assets or expenses incurred.

Prepaid Expenses

Prepaid expenses are costs which are paid in advance of actually incurring them and regularly recurring in the normal course of the business. Prepaid expenses are amortized and recognized as expense in the Statements of comprehensive income as the benefits of the payments are received by the Parent Company. Prepaid expenses are charged to expense in the applicable period of expiration. Prepaid expenses that will subsequently expire and be charged to related expense within the next year is classified as current assets. Thus, amounts which will be amortized beyond the following year are classified under noncurrent assets.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value.

The initial cost of property and equipment comprises its purchase price or construction cost and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenses incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations or profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

Particulars	Number of years
Leasehold improvements	3
Office equipment	5
Communication equipment	3
Furniture and fixtures	3

Leasehold improvements are amortized over the terms of the respective leases or over their estimated useful lives, whichever is shorter.

The useful life and depreciation and amortization methods are reviewed periodically to ensure the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Investment in a Subsidiary

Investment in shares of stock of a subsidiary is accounted for in the separate financial statements at cost, less any impairment in value.

A subsidiary is an entity over which the Parent Company has the power to govern the financial reporting and operating policies of an entity generally accompanying a shareholding of more than half (½) of the voting rights. The Parent Company obtains and exercises control through voting rights.

If there is objective evidence that the investment in a subsidiary will not be recovered, an impairment loss is provided. Impairment loss is measured as the difference between the carrying amount of the investment and present value of estimated cash flows discounted at the current market rate of return for similar financial asset. The amount of the impairment loss is recognized in profit or loss.

Software

Software is measured on initial recognition at cost. Subsequent to initial recognition, software is carried at cost less any accumulated amortization and any accumulated impairment losses.

The Parent Company assessed the useful life of the software to be finite. Software is amortized using straight – line method over the economic useful life of three (3) years and is assessed for impairment whenever there is an indication that the software may be impaired. The amortization period and method are reviewed at least each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on software is charged to operations.

Gains and losses arising from derecognition of software are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit and loss.

Impairment of Non-financial Assets

The Parent Company assesses at each reporting date whether there are indications that its prepaid expenses, software and property and equipment maybe impaired. The carrying values of these assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in profit or loss.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss on a non-revalued asset is recognized immediately in profit or loss. Impairment losses, if any, are recognized in profit or loss. The Parent Company assesses at each reporting date whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. The Parent Company considers external and internal sources of information in its assessment of the reversal of previously recognized impairment losses. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Determining the fair value of assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Parent Company to make estimates and assumptions. Future event could cause the Parent Company to conclude that property and equipment are impaired. An increase in allowance for impairment losses would increase operating expenses and decrease the related assets.

Equity

- Capital stock is measured at par value for all shares subscribed and paid, or issued.
- Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.
- Retained earnings consist of appropriated and unappropriated retained earnings.

Appropriated retained earnings are restricted for specific purposes that are approved by the BOD (e.g. expansion projects). Unappropriated retained earnings are not restricted and include the cumulative balance of periodic net income or losses, dividend distributions, effects of changes in accounting policy and other capital adjustments.

- Dividends on capital stock are recognized when approved by the shareholders of the Parent Company. Dividends for the year that are approved after the end of the financial reporting period are dealt with as an event after end of financial reporting period.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transactions will flow to the Parent Company and the amount of revenue, related cost incurred or to be incurred/cost to complete the transactions can be measured reliably. The Parent Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Parent Company has conducted that it is acting as a principal in all of its revenue arrangements. Revenue is measured at the fair value of the consideration received or receivable taking into account discounts such as prompt settlement discounts, if any. Revenue recognized excludes any value added taxes. The following specific recognition criteria must also be met before revenue is recognized:

Service revenue. Revenue is recognized to the extent of actual services delivered during the period in accordance with the terms of the contract. Amounts that are received in advance of actually earning them are recognized and presented as liability. Services rendered but not yet billed, if any, are accrued.

Interest income. Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Other income. Other income is recognized as this accrued and is earned.

Cost and Expense Recognition

Costs and expenses which include expenses related to administering and operating the

business are recognized in the Parent Company's profit or loss upon utilization of the service or at the date they are incurred. Interest and similar expenses are reported on accrual basis.

Operating Lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;

b. a renewal option is exercised or extension is granted, unless the term of the renewal or extension was initially included in the lease term;

c. there is a change in the determination of whether fulfillment is dependent on a specified asset;

d. there is a substantial change to the asset.

Company as a lessee

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating lease. Lease payments under an operating lease are recognized as an expense based on the amount incurred as stipulated in the lease contract. The Parent Company considers such recognition of lease expense as systematic basis and is representative of the time pattern of the Parent Company's benefit. Associated costs such as repairs and maintenance and business taxes are expensed when incurred.

Employee Benefits

Short-term benefits

Short-term employee benefits are recognized as expense in the period when the economic benefits are given. Unpaid benefits at end of the financial reporting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term employee benefits given by the Parent Company includes salaries and wages, social security system contributions, bonuses and other non-monetary benefits.

Retirement benefits costs

The Parent Company has not established a formal retirement plan. However, it accrues the estimated cost of retirement benefit required by the provision of Republic Act No. 7641 (Retirement Law) which is a defined benefit type. In the absence of any plan asset or funding to the retirement, the amount recognized as accrued retirement liability is the present value of the defined benefit obligation at the end of financial reporting period. Retirement benefit is actuarially determined using the projected unit credit actuarial valuation method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each separately to build up the final obligation. Actuarial gain or loss and past service costs are recognized immediately in profit or loss. Gains or losses on the curtailment or settlement of pension benefits are recognized when curtailment or settlement occurs.

Related Party Transactions

Related party transactions are transfers of resources, services or obligations between the company and its related parties, regardless whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the company; (b) associates; (c) and, individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Foreign Currency Transactions and Translations

Transactions denominated in foreign currencies are recorded in Philippine pesos using the exchange rate at the date of the transactions. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the end of financial reporting period. Gains or losses arising from foreign currency transactions are credited or charged directly to current operations.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the financial reporting period.

Current income tax payable

Current income tax for current and prior periods shall, to the extent unpaid, be recognized as a liability and is presented as “Income tax payable” in the Statements of financial position. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset and is presented as part of “Prepaid income tax” in the Statements of financial position.

Deferred income tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the financial reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year 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 end of the financial reporting period.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off deferred income tax assets against deferred income tax liabilities and the said deferred income taxes relate to the same taxable entity and the same taxation authority.

Provisions

Provisions are recognized only when the following conditions are met: a) there exists a present obligation (legal or constructive) as a result of past event; b) it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and c) reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefit is probable.

Events After End of Financial Reporting Period

Post year-end events that provide additional information about the Parent Company's position at the end of financial reporting period (adjusting events) are reflected in the Parent Company's financial statements. However, post year-end events that are non-adjusting events are disclosed in the notes to financial statements when material.

4. **Management's Use of Judgments and Estimates**

The preparation of the Parent Company's financial statements in conformity with PFRS for SMEs requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. In preparing the Parent Company's financial statements, management has made its best judgment and estimates of certain amounts, giving due consideration to materiality. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of date of the financial statements. The uncertainties inherent in these judgments and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future years. Accordingly, actual results could differ from those estimates, and such estimates will be adjusted accordingly.

The following is a summary of these significant estimates and judgments and the related impact and associated risks on the financial statements:

Judgments

In the process of applying the Parent Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

- *Assessment of Classification of Financial Instrument*

  The management classifies a financial instrument on initial recognition as a financial asset and a financial liability in accordance with the substance of the contractual arrangement and the definitions of a financial asset and a financial liability.

- *Assessment whether the Lease Agreement is a Finance or Operating Lease*

  Management assesses at the inception of the lease whether the arrangement is finance or operating lease based on who bears substantially all the risks and benefits incidental to ownership of the leased item. The Parent Company as a lessee has entered into a lease contract for its office and residential units for its expatriates where it has determined that the risks and rewards related to the property are retained by the lessor. As such, the agreements are accounted for as operating lease.

- *Determination of Functional Currency*

  Based on the economic substance of the underlying circumstances relevant to the Parent Company, the functional currency of the Parent Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Parent Company operates. It is the currency that mainly influences the sale of services and the costs of providing the services.

- *Assessment of Impairment of Non-Financial Asset*

  Impairment review is performed on prepaid expenses, property and equipment, investment in subsidiary and software when certain impairment indicators are present. Determining fair value of the assets requires estimation of future economic benefit or cash flows expected to be generated from the continued use and ultimate disposition of such assets and require the Parent Company to make estimates and assumptions that can materially affect the Parent Company's financial statements. Future events could cause the Parent Company to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Parent Company's financial condition and results of operations. An increase in provision for impairment losses would increase operating expense and decrease related assets.

  No impairment loss is recognized in the Parent Company's financial statements as of March 31, 2015 and 2014.

- *Measurement of Refundable Deposit*

  The future cash flows of rental deposits from the lease of office space cannot be readily determined nor reliably measured because the actual timing of payment cannot be reasonably predicted as these deposits are generally redeposited every renewal of lease contracts, the new terms and conditions thereof are not yet known. Further, the deposits that will actually be repaid to the Parent Company are also attached to a conditional repayment provision that is the faithful performance by the Parent Company as lessee of its obligations under the lease contracts. Accordingly, rental deposits are carried at cost less any impairment.

<u>Estimates</u>

The key estimates concerning the future and other key sources of estimation uncertainty as at end of reporting period that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are as follows:

- *Estimation of Allowance for Doubtful Accounts or Impairment of Receivables and* Refundable Deposits

  The Parent Company maintains allowance for doubtful accounts or impairment at a level adequate to provide for potential uncollectible receivables and rental and utility deposits. The level of this allowance is evaluated by management on the basis of factors that affect the collectability or realizability of the accounts. These factors include, but not limited to, the length of the Parent Company's relationship with the customers/debtors, the customers/debtors' payment behavior and known market factors.

  The Parent Company reviews the age and status of receivables, and identifies accounts that are to be provided by allowance on a continuous basis. The amount and timing of impairment for any period would therefore differ based on the judgment or estimates made. Any increase in allowance for impairment losses would increase operating expenses and decrease the related assets.

  No allowance for doubtful accounts is provided on receivables and refundable deposits as of March 31, 2015 and 2014. The carrying value of receivables is shown in Note 6. Refundable rental deposits amounted ₱7,783,101 and ₱4,004,851 as of March 31, 2015 and 2014 (see Notes 11 and 19).

- *Estimation of Useful Lives of Property and Equipment and Software*

  Useful lives of property and equipment and software are estimated based on the period over which these assets are expected to be available for use. The estimated useful lives of property and equipment and software may differ from previous estimate due to physical wear and tear. Any reduction in the estimated useful lives of property and equipment and software would increase Parent Company's recorded expenses and decrease property and equipment and software.

  The carrying values of property and equipment and software are shown in Notes 8 and 10, respectively.

- *Estimation of Retirement Benefits Costs*

  The determination of the Parent Company's obligation and cost for pension and other retirement benefits is dependent on management's selection of certain assumptions used by actuaries in calculating such amounts.

  The assumptions for pension costs and other retirement benefits are described in Note 20, and include among others, rates of compensation increase. Other key assumptions for pension obligations are based in part on current market conditions. While management believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in management assumptions may materially affect the Parent Company's pension and other retirement obligations in the future. Any changes in the estimate would increase or decrease the amount recognized as accrued retirement liability and amount recognized in profit or loss.

  Accrued retirement benefits costs amounted to ₱ 9,413,776 and ₱ 5,141,884 as of March 31, 2015 and 2014, respectively. Additional information is disclosed in Note 20 to the financial statements.

- Estimation of Provisions

  The estimate of the probable costs for possible third party claims, including labor cases filed by former employees, tax liabilities, if any, has been developed based on management's analysis of potential results. When management believes that the eventual liabilities under these claims, if any, will not have a material effect on the Parent Company's financial statements, no provision for probable losses is recognized. Any increase in provision would increase operating expenses and increase the related liabilities.

  No provision for probable losses is recognized as management believes that the Parent Company will get favorable result in the labor case filed by former employees.

5. Cash

This account consists of:

	2015	2014
	₱	P
Cash in banks (Note 15)	**36,817,413**	73,987,519
Cash on hand	**50,000**	50,000
Total (Note 16)	**33,867,413**	74,037,519

Cash in banks pertain to savings and current accounts in banks which earned interest at prevailing respective bank rates. Total interest income amounted to ₱ 76,930 in 2015 and ₱ 24,376 in 2014.

6. **Receivables**

This account consists of:

	2015	2014
	₱	P
Trade (Notes 13 and 15)	**87,967,504**	52,586,409
Advances to suppliers	**575,000**	-
Others	**196,355**	252,256
Total	**88,738,859**	52,838,665

Advances to suppliers represent amounts paid in advance for purchase of equipment and various architectural works.

Others pertain to health benefits advanced by the Parent Company on behalf of the government agencies and claims for refund from health insurance by the Parent Company.

All of the Parent Company's receivables have been reviewed for indication of impairment. No allowance for impairment loss is recognized in the Parent Company's financial statements in 2015 and 2014.

The carrying values of financial assets included in receivables amounted to ₱ 87,967,504 and ₱ 52,586,409 as of March 31, 2015 and March 31, 2014, respectively (see Note 16).

There were no receivables pledged or used as collateral for the Parent Company's liabilities as of March 31, 2015.

7. **Prepaid Expenses**

This account consists of:

	2015	2014
	₱	P
Prepaid insurance	**2,819,964**	1,639,451
Prepaid rent (Note 19)	**2,544,868**	40,772
Other prepaid expenses	**1,028,135**	3,641,569
Total	**6,392,967**	5,321,792

Other prepaid expenses include payment for support services, maintenance, subscription, transportation and travel and membership fees of the Parent Company.

8. Property and Equipment - Net

The rollforward analysis of this account follows:

(Amounts in Philippine Pesos ₱)

	2015				
	Leasehold improvements	**Office Equipment**	**Communication Equipment**	**Furniture and fixtures**	**Total**
Cost:					
Balance at beginning of year	**20,545,231**	**18,010,112**	**9,213,302**	**5,377,751**	**53,146,396**
Additions	**1,020,402**	**2,336,096**	**6,521,607**	**25,000**	**9,903,105**
Balance at end of year	**21,565,633**	**20,346,208**	**15,734,909**	**5,402,751**	**63,049,501**
Accumulated depreciation:					
Balance at beginning of year	**19,080,842**	**14,744,717**	**7,737,955**	**5,341,139**	**46,904,653**
Depreciation	**886,397**	**2,256,243**	**1,343,531**	**16,539**	**4,502,710**
Balance at end of year	**19,967,239**	**17,000,960**	**9,081,486**	**5,357,678**	**51,407,363**
Net carrying value	**1,598,394**	**3,345,248**	**6,653,423**	**45,073**	**11,642,138**

(Amounts in Philippine Pesos ₱)

	2014				
	Leasehold improvements	Office Equipment	Communication Equipment	Furniture and fixtures	Total
Cost:					
Balance at beginning of year	18,986,069	15,412,708	7,606,462	5,332,301	47,337,540
Additions	1,634,162	2,639,815	1,829,627	45,450	6,149,054
Written-off	(75,000)	(42,411)	(222,787)	-	(340,198)
Balance at end of year	20,545,231	18,010,112	9,213,302	5,377,751	53,146,396
Accumulated depreciation					
Balance at beginning of year	18,656,508	12,344,811	6,683,260	5,331,201	43,015,780
Depreciation	499,334	2,442,317	1,277,482	9,938	4,229,071
Written-off	(75,000)	(42,411)	(222,787)	–	(340,198)
Balance at end of year	19,080,842	14,744,717	7,737,955	5,341,139	46,904,653
Net carrying value	1,464,389	3,265,395	1,475,347	36,612	6,241,743

Depreciation is presented as part of the following accounts:

	2015	2014
	₱	₱
Cost of services (Note 17)	**2,041,307**	1,733,918
Operating expenses (Note 18)	**2,461,403**	2,495,153
Total	**4,502,710**	4,229,071

The write-off of property and equipment in 2014 pertains to retirement of leasehold improvements, office equipment and communication equipment.

Management believes that there are no indications of impairment on its property and equipment as of March 31, 2015 and 2014.

There were no property and equipment pledged as collateral for any of the Parent Company's debt. Furthermore, the Parent Company has no contractual commitment to purchase property and equipment as of March 31, 2015.

9. Investment in a Subsidiary

This account represents investment in vCustomer Philippines (Cebu), Inc., a wholly owned subsidiary incorporated and domiciled in the Philippines.

The balance as of March 31, 2015 and 2014 amounting to ₱ 9,499,950 represents the acquisition cost of the subsidiary's shares of stocks. The Parent Company's management had reviewed the carrying value of the investment in the said subsidiary as of March 31, 2015 and 2014. Based on the evaluation, there are no indications that the investment might be impaired.

Summarized financial information of the subsidiary as of and for the years ended March 31, 2015 and 2014 follows:

	2015	2014
	₱	₱
Current Assets	**60,794,417**	48,519,124
Noncurrent Assets	**87,555,530**	7,048, 099
Current Liabilities	**91,540,875**	13,726,501
Noncurrent Liability	**2,367,289**	1,120,296
Equity	**54,441,783**	40,720,426
Revenue	**181,384,667**	137,258,984
Net profit	**13,721,357**	14,156,519

10. Software - Net

The rollforward analysis of this account follows:

	2015	2014
	₱	₱
Cost:		
Balance at beginning of year	**730,741**	730,741
Acquisition	**867,228**	-
Balance at end of year	**1,597,969**	730,741
Accumulated amortization:		
Balance at beginning of year	**625,181**	470,338
Amortization	**291,891**	154,843
Balance at end of year	**917,072**	154,843
Net carrying value	**680,898**	105,560

Amortization is presented as part of the following accounts:

	2015	2014
	₱	₱
Cost of services (Note 17)	**132,329**	63,486
Operating expenses (Note 18)	**159,562**	91,357
Total	**291,891**	154,843

Management believes that there are no indication of impairment of the Parent Company's software as of March 31, 2015 and 2014, respectively.

11. Rental Deposits

This account consists of:

	2015	2014
	₱	₱
Current portion	**87,000**	82,000
Noncurrent portion	**7,696,101**	3,922,851
Total (Notes 16 and 19)	**7,783,101**	4,004,851

These deposits are refundable upon permanent termination of the contracts or cessation of related service.

Management believes that there are no indication of impairment on deposits as of March 31, 2015 and 2014, respectively.

12. Accounts Payable and Other Current Liabilities

This account consists of:

	2015	2014
	₱	₱
Salaries payable	**19,986,731**	11,904,813
Trade:		
Related party (Note 13)	**9,127,986**	-
Non related party	**4,278,609**	3,482,253
Accrued expenses	**3,490,261**	2,353,425
SSS, Philhealth and HDMF payables	**1,569,829**	1,341,049
Withholding taxes	**1,142,219**	716,506
Fringe benefit tax	**37,703**	38,372
Total	**39,633,338**	19,836,418

Accrued expenses include accruals for lease line, utilities, security services, consultancy, outside services and employees' leave encashment.

The carrying amounts of financial liabilities included in accounts payable and other current liabilities amounted to ₱ 36,883,587 and ₱ 17,740,491 as of March 31, 2015 and 2014, respectively (see Note 16).

13. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders. The Parent Company and its affiliates have common stockholders, either direct or indirect.

a. The Parent Company entered into a Service Agreement with vCustomer Services LLC, a Company incorporated under the laws of the United States of America (USA), an affiliate, for an indefinite period unless mutually terminated, to provide web-based support (chat, email, fax); telephony support (voice); directory assistance; eCRM database management, eCRM database mining; web-based self-help solutions; remote website administration; remote back office support; remote system administration and technical help desk services in the United States through contact center representatives and such other functions as may be required in relation to the performance of its support function. In consideration thereof, the Parent Company bills vCustomer Services LLC ten percent (10%) mark-up rate on all costs (cost and operating expenses) incurred by the Parent Company in providing the services based on the financial statements prepared in accordance with PFRS for SMEs in the Philippines. Contract receivables are billed by the Parent Company to vCustomer Services LLC in US dollars on a periodical basis and are settled in the same currency. vCustomer Services LLC was merged with Tech Mahindra (Americas) Inc., on February 2, 2015. Accordingly, billings were made to Tech Mahindra Limited subsequently.

   Total billings recognized as revenue relating to the Service Agreement amounted to ₱ 292,738,091 in 2015 and ₱ 239,309,892 in 2014. Outstanding receivables as of March 31, 2015 and 2014 amounted to ₱ 24,589,068 and ₱ 11,636,990, respectively. Outstanding payables which amounted to ₱ 9,127,986 as of March 31, 2015 represent excess payments.

b. On September 1, 2012, the Parent Company agreed to provide expertise and resources for consultancy and development of IT projects to Satyam Computer Services Limited (SCSL), now TML. In consideration thereof, the Parent Company issues TML monthly invoice for time and material based fee, and upon achievement of milestone specified in the work order in case of fixed fee engagements, for the services of consultants. Contract receivables are billed by the Parent Company to TML in the currency specified in the work order on a periodical basis and are settled in the same currency. Total billings recognized as revenue relating to the Service Agreement amounted to ₱ 4,111,095 and ₱ 23,600,219 in 2015 and 2014, respectively. Outstanding receivables as of March 31, 2014 amounted to ₱ 10,820,835.

c. On May 10, 2013, vCPI entered into a Sub-contract Agreement with Satyam Computer Services Limited (SCSL), now TML, to provide agents who will supply dedicated, English inbound contact support for two primary levels of financial transactions. Contract receivables are billed by the vCPI to TML in the currency specified in the work order on a periodical basis and are settled in the same currency. Total revenue relative to this Agreement amounted to ₱ 60,629,666 in 2015 and ₱ 35,906,622 in 2014. Outstanding receivables as of March 31, 2015 and 2014 amounted to ₱ 52,572,258, of which ₱ 10,519,325 remained unbilled, and ₱ 28,154,891, respectively.

d. On October 28, 2013, vCPI entered into a Master Agreement with TML to provide services and resources. Total revenue relative to this agreement amounted to ₱ 13,124,960 for the year ended March 31, 2015. Outstanding receivables as of March 31, 2015 amounted to ₱ 10,806,178.

e. On February 14, 2014, vCPI entered into Sub – contract Agreement with TML to provide services and resources in connection with the Master Agreement executed between TML and a telecommunication company. Total revenue relative to this agreement amounted to ₱ 2,895,000 in 2015 and ₱ 1,973,693 in 2014. Outstanding receivables as of March 31, 2014 amounted to ₱ 1,973,693.

f. The Company made and received non interest – bearing and unsecured advances to and from related parties for working capital requirements.

g. The table below summarizes the foregoing transactions with related parties as of and for the year ended March 31, 2015:

(Amounts in Philippine Pesos ₱)

	2015			
Category	**Amount**	**Outstanding Balance Asset (Liability)**	**Terms/ Conditions**	**Guarantees/ Settlement/ Provisions**
Tech Mahindra (Americas) Inc. (subsidiary of Tech Mahindra Limited)				
1. Services				
• Service revenue (Note 6 and Note 12)	**292,738,091**	**(9,127,986)**	**30 days; non interest- bearing**	**Unsecured; to be settled in cash**
Tech Mahindra Limited (parent company of Satyam Computer Services Limited)				
1. Services				
• Service revenue (Note 6 and Note 12)	**80,760,721**	**87,967,504**	**30 days; non interest- bearing**	**Unsecured; to be settled in cash; no impairment**
2. Advances to				
• Payments received	**(45,427)***	**–**	**Collectible on demand; non interest- bearing**	**Unsecured; to be settled in cash; no impairment**
New vC Services Private Limited (parent company of vCustomer Philippines, Inc.)				
1. Advances from				
• Payments made	**3,035,213***	**-**	**Payable on demand; non interest- bearing**	**Unsecured; to be settled in cash**
Subsidiary				
1. Advances to				
• Advances made	**20,158,200**	**20,158,200**	**Collectible on demand; non interest- bearing**	**Unsecured; to be settled in cash; no impairment**

* Outstanding balances of advances to and advances from related parties as of March 31, 2014.

(Amounts in Philippine Pesos ₱)

Category	Amount	Outstanding Balance Asset (Liability)	Terms/ Conditions	Guarantees/ Settlement/ Provisions
		2015		
vCustomer Services LLC (an affiliate of New vC Services Private Limited)				
1. Services				
• Service Revenue	**239,309,892**	**11,636,990**	**30 days; non interest -bearing**	**Unsecured; to be settled in cash; no impairment**
Tech Mahindra Limited (parent company of Satyam Computer Services Limited)				
1. Services				
• Service Revenue	**61,480,534**	**40,949,419**	**30 days; non interest- bearing**	**Unsecured; to be settled in cash; no impairment**
2. Advances to				
• Payments received	**1,501,886**	**45,427**	**Collectible on demand; non interest- bearing**	**Unsecured; to be settled in cash; no impairment**
New vC Services Private Limited (parent company of vCustomer Philippines, Inc.)				
1. Advances from				
• Advances received	**(3,035,213)**	**(3,035,213)**	**Payable on demand; non interest- bearing**	**Unsecured; to be settled in cash**

h. Compensation of key management personnel for the years ended March 31, 2015 and 2014 is as follows:

	2015	2014
	₱	₱
Retirement benefits cost	**1,499,851**	1,597,943
Salaries	**19,666,112**	15,821,747
Allowances	**501,525**	424,500
Other employee benefits	**5,944,899**	5,400,574
Total	**27,612,387**	23,244,764

Other employee benefits include 13th month pay, performance bonus, leave encashment and other short-term benefits. There is no other related party transaction.

14. Equity

a. Capital Stock

There is no movement in the number of the Parent Company's authorized and subscribed shares of stock for the year ended March 31, 2015 and 2014.

b. Retained Earnings

- On April 24, 2013, the Parent Company's BOD approved the appropriation of retained earnings as of March 31, 2013 amounting to ₱ 72 million for business expansions which is estimated to take place starting April 1, 2013 until March 31, 2014. The planned expansion consists of upgrades in operations area, installations of connectivity, installation of new/ additional technology equipment, and increase in employee head count.
- On March 28, 2014, the Parent Company's BOD approved the reversal of appropriation for business expansion which amounted to ₱ 72 million.
- On March 28, 2014, the Parent Company's BOD approved the appropriation of retained earnings as of March 31, 2014 amounting to ₱ 110 million for business expansion, office renovation and equipment upgrade which is estimated to take place starting April 1, 2014 until March 31, 2016. The planned expansion consists of renovation of site, establishment of new additional office, installation of other equipments and engagement of additional accounts and increase in employee head count.

- On April 21, 2015, the Parent Company's BOD resolved that the Corporation hereby confirms the additional appropriation of the amount ₱ 8 million from its current Retained Earnings as of March 31, 2015 which shall be used by the Corporation for its expansion projects in the year 2015 and onwards. The planned expansion consists of renovation of site, establishment of new additional office, installation of other equipments and engagement of additional accounts and increase in employee head count. The said appropriation shall be reflected in the financial statements as of and for the year ended March 31, 2015.

15. Foreign Currency Denominated Monetary Assets and Liability

The Parent Company's foreign currency denominated monetary assets and liability in US Dollars ($) as of March 31, 2015 and 2014 and their peso equivalents follow:

	2015		2014	
	Foreign Currency	**Philippine Pesos**	Foreign Currency	Philippine Pesos
	$	**₱**	$	₱
Assets				
Cash (Note 5)	**337,016**	**15,096,984**	1,346,74	60,597,952
Receivables (Notes 6) Advances to a related	**1,963,736**	**87,967,504**	1,168,891	52,586,409
party (Note 13)	**450,000**	**20,158,200**	–	–
	2,750,752	**123,222,688**	2,515,632	113,184,361
Liability:				
Accounts payable and other current liabilities (Note 12)	**203,768**	**9,127,986**	–	–
Advances from a related party (Note 13)	**-**	**-**	**67,455**	3,035,213
	203,768	**9,127,986**	**67,455**	3,035,213

The Parent Company's foreign currency denominated monetary assets and liabilities are restated to their Philippine Peso equivalents using the following exchange rates.

Foreign Currency	**2015**	2014
	₱	₱
US Dollar ($)	44.796	44.996

The breakdown of the Parent Company's foreign exchange net gain (loss) for the years ended March 31, 2015 and 2014 is as follows:

Realized foreign exchange gain (loss) – net	**(244,612)**	735,804
Unrealized foreign exchange gain (loss) – net	**(3,137,890)**	6,441,528
Net foreign exchange gain (loss) – net	**(3,382,502)**	7,177,332

16. Categories of Financial Assets and Financial Liabilities

The carrying of amounts of financial assets and liabilities per category:

	2015	2014
Carrying amounts of financial assets measured at undiscounted amount*	**₱**	₱
Cash (Note 5)	**33,867,413**	74,037,519
Receivables (Notes 6 and 13)**	**87,967,504**	52,586,409
Advances to a related party (Note 13)	**20,158,200**	45,427
Total	**141,993,117**	126,669,355
Carrying amount of financial asset at cost less any impairment		
Rental deposits (Notes 11 and 19)	**7,783,101**	4,004,851
Carrying amounts of financial liabilities measured at undiscounted amount*		
Accounts payable and other liabilities (Note 12)***	**36,883,587**	17,740,491
Advances from a related party (Note 13)	**–**	3,035,213
	36,883,587	20,775,704

* As discussed in Note 3, debt instruments with original settlement within twelve months and are classified as current are recorded at their undiscounted amount.

** Excluding nonfinancial assets totaling to ₱ 771,355 and ₱ 252,256 as of March 31, 2015 and 2014, respectively.

*** Excluding statutory payables totaling to ₱ 2,749,751 and ₱ 2,095,927 as of March 31, 2015 and 2014, respectively.

17. Cost of Services

This account consists of:

	2015	2014
	₱	₱
Personnel costs	**208,000,818**	139,804,203
IT infrastructure	**38,064,474**	24,909,049
Rent (Note 19)	**15,415,620**	6,319,284
Electricity	**11,786,086**	4,795,515
Depreciation and amortization (Notes 8 and 10)	**2,173,636**	1,797,404
Total	**275,440,634**	177,625,455

Details of personnel costs are as follows:		
Salaries and wages and other employee benefits	**144,830,858**	98,192,492
Allowance and staff welfare costs	**35,731,415**	22,825,201
13th month pay	**13,224,204**	8,965,752
SSS, PHIC and HDMF premium contributions	**10,736,933**	7,279,431
Retirement benefits costs (Note 20)	**3,477,408**	2,541,327
Total	**208,000,818**	139,804,203

Depreciation and amortization are broken down as follows:		
Property and equipment (Note 8)	**2,041,307**	1,733,918
Software (Note 10)	**132,329**	63,486
Total	**2,173,636**	1,797,404

18. Operating Expenses

This account consists of:

	2015	2014
	₱	₱
Personnel costs	**48,796,700**	36,400,333
Rent (Note 19)	**9,842,332**	9,390,149
Facility management services	**5,915,916**	5,199,844
Outside services	**3,284,656**	12,173,205
Security services	**3,175,167**	2,434,650
Trainings and recruitments	**2,837,383**	1,468,077
Transportation and travel	**2,764,281**	8,137,427
Depreciation and amortization (Notes 8 and 10)	**2,620,965**	2,586,510
IT infrastructure	**2,590,584**	1,373,797
Communication, light and water	**1,690,779**	7,719,945
Professional fees	**960,901**	954,764
Office supplies	**784,141**	704,595
Repairs and maintenance	**753,149**	507,330
Taxes and licenses	**234,540**	77,967
Bank service charge	**368,637**	116,282
Insurance	**209,725**	174,380
Miscellaneous	**953,711**	2,360,403
Total	**87,783,567**	91,779,658

Miscellaneous includes freight, office management and corporate apartment expense, and fringe benefit expense.

Details of personnel costs are as follows:

	2015	2014
	₱	₱
Salaries and wages and other employee benefits	**26,789,276**	18,333,639
Allowance and staff welfare costs	**13,988,563**	12,618,369
13th month pay	**4,508,621**	1,843,056
SSS, PHIC and HDMF premium contributions	**2,715,756**	1,004,712
Retirement benefits costs (Note 20)	**794,484**	2,600,557
Total	**48,796,700**	36,400,333

Depreciation and amortization are broken down as follows:

Property and equipment (Note 8)	**2,461,403**	2,495,153
Software (Note 10)	**159,562**	91,357
Total	**2,173,636**	2,586,510

19. Lease Agreements

Office Space

The Parent Company entered into an agreement that assumes all of the rights and obligations of vCustomer Services India Pvt. Ltd – Philippine Branch in its contract of lease dated June 12, 2008, over the leased premises commencing on April 1, 2010. The lease term for the corporate office unit covers five (5) years with a free fitting out period of three (3) months and options to extend for another five (5) years. Future payments under the lease agreement are subject to yearly escalation rate of three percent (5%) starting in the second year. The lease contract was renewed up to September 2018.

On July 10, 2014, the Parent Company entered into a new lease agreement for additional office space. The lease term for the office space covers two (2) years and 2 ½ months from September 1, 2014 to November 15, 2016.

Total rent expense under operating lease presented as follows:

	2015	2014
	₱	₱
Cost of services (Note 17)	**15,415,620**	6,319,284
Operating expenses (Note 18)	**9,518,086**	9,093,605
Total	**24,933,706**	15,412,889

Rental deposits required relative to these contracts amounted to ₱ 7,696,101 and ₱ 3,922,851 as of March 31, 2015 and 2014, respectively (Note 11).

Advance rental amounted to ₱ 2,544,868 as of March 31, 2015 (see Note 7). Estimated future minimum rental payments follow:

	2015	2014
	₱	₱
Due within one year	**30,673,173**	16,149,070
Due beyond one year but less than five years	**55,255,677**	61,402,523
Total	**85,928,850**	77,551,593

Residential Units

The Parent Company also entered into lease agreements for the condominium units for residential use by its visitors. The lease term for the condominium units covers one (1) year, renewable upon mutual agreement and consent of both parties. Total rent expense under operating lease under these agreements presented under “Operating expenses” account amounted to ₱ 324,246 in 2015 and ₱ 296,544 in 2014 (see Note 18).

Rental deposit required relative to this contract amounted to ₱ 87,000 and ₱ 82,000 as of March 31, 2015 and 2014, respectively (see Note 11). Advance rental amounted to ₱ 40,772 as of March 31, 2014 (see Note 7) .

Estimated future minimum rental payments amounting to ₱ 424,216 due on April 2016.

There are no significant restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.

20. Retirement Benefits Costs

The Parent Company does not have an established retirement plan as at March 31, 2015 but accrued retirement benefit costs in accordance with the minimum regulatory benefit under Republic Act No. 7641 which is of the defined benefit type. The retirement benefit obligation is not yet funded. Retirement benefits are based on employees' years of service and compensation levels during employment period. Actuarial valuations re made with sufficient regularity. .The most recent actuarial valuation which was made for the year ended March 31, 2015 was dated April 21, 2015. The principal actuarial assumptions used to determine retirement benefits were as follows:

	2015	2014
	₱	₱
Discount rate, beginning of period	**5.25%**	5.25%
Discount rate, end of period	**5.25%**	5.25%
Salary increase rate, beginning of period	**5.00%**	5.00%
Salary increase rate, end of period	**5.00%**	5.00%

The accrued retirement benefits costs recognized in the Statements of financial position as of March 31, 2015 and March 31, 2014 were determined as follows:

	2015	2014
	₱	₱
Present value of defined benefit obligation	**9,413,776**	5,141,884
Less fair value of plan assets	**–**	–
Pension liability recognized in Statements of financial position	**9,413,776**	5,141,884

The retirement benefits costs as part of "Cost of services" and "Operating expenses" in the Statement of comprehensive income for the years ended March 31, 2015 and 2014 were determined follows:

	2015	2014
	₱	₱
Current service cost	**2,454,531**	–
Interest on net defined benefit liability	**269,949**	5,141,884
Remeasurement gains	**1,547,412**	–
Total (Notes 17 and 18)	**4,271,892**	5,141,884

The movement of the accrued retirement benefit costs recognized in the Statements of financial position is as follows:

	2015	2014
	₱	₱
Accrued retirement benefits costs at beginning of period	**5,141,884**	–
Amount recognized in profit and loss (Note 17)	**4,271,892**	5,141,884
Accrued retirement benefits costs at end of period	**9,413,776**	5,141,884

21. Income Taxes

The available incentives of the Parent Company as an Ecozone IT Enterprise under the Registration Agreement with PEZA includes the following:

1) Incentives under Book VI of Executive Order No. 226 which include the following:

   a) Corporate income tax holiday (ITH) for four (4) years for original project effective on the date of start of commercial operations, or the actual date of the start of commercial operations, whichever is earlier; ITH entitlement for the original project can also be extended for another three (3) years provided specific criteria are met for each additional year and prior PEZA approval is obtained; duly approved and registered "Expansion" and "New" Projects are entitled to a three-year and four-year Income Tax Holiday, respectively. Effective November 2014, the Company is subject to 5% preferential rate applied to the Company's gross income (sales less direct costs allowed as deductions). Current income tax for the year 2015 amounted to ₱ 2,624,013.

b) Tax and duty free importation of merchandise which include raw materials, capital equipment, machinery and spare parts;

c) Exemption from wharfage dues and export tax, impost or fees;

d) VAT zero-rating of local purchases subject to compliance with BIR and PEZA requirements; and,

e) Exemption from payment of any and all local government imposts, fees, licenses and taxes except real estate tax; however, machineries installed and operated in the ecozone for manufacturing, processing or for industrial purposes shall not be subject to payment of real estate taxes for the first three (3) years of operations of such machineries; production equipment not attached to real estate shall be exempt from real property taxes.

2) After the lapse of the ITH, the following incentives shall apply:

a) Exemption from national and local taxes, in lieu thereof, payment of 5% final tax on gross income as provided in Section 24 of R. A. 7916 and Rule XX of the Rules and Regulations to Implement R. A. 7916; and,

b) Additional deduction for training expenses (1/2 of value) against the 5% tax on gross income earned, but not to exceed 3%, subject to guidelines to be formulated by PEZA in coordination with the Department of Labor and Employment and the Department of Finance (Section 42 of R. A. 7916).

3) Pursuant to BIR's Revenue Regulations No. 14-2002 (Amending Further Pertinent Provisions of Revenue Regulations No. 2-98, as amended), income payments to PEZA registered enterprises under the ITH and 5% GIT incentives are exempt from expanded withholding tax.

4) The current income tax of ₱ 2,624,013 in 2015 represents the gross income tax (GIT) at a special rate of 5%, of which 3% will be remitted to BIR and 2% to local government in accordance with pertinent rules.

5) Non-fiscal incentives shall include the following:

a) Permanent resident status within the ecozone for foreign investors with initial investment of at least US $150,000;

b) Employment of foreign nationals; and,

c) Simplified import and export procedures.

22. Supplementary Information Required by the Bureau of Internal Revenue

Revenue Regulations (RR) 15-2010 and 2-2014

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued Revenue Regulation (RR) No. 15-2010 amending certain provisions of RR No. 21-2002, as amended and implementing Section 6 (H) of the Tax Code of 1997 which authorize the Commissioner of Internal Revenue to prescribe additional procedural and/or documentary requirements in connection with the preparation and submission, filing of financial statements accompanying the tax returns.

On January 24, 2014, RR No. 2-2014 was issued to prescribe the new BIR forms that will be used for Income tax filing covering and starting with December 31, 2013.

The following information on taxes, duties and license fees paid or accrued during the taxable years ended March 31, 2014 and 2013 is presented for purposes of compliance with the disclosure requirements by the BIR as provided for in its RR 15-2010 and 2-2014 and is not a required part of the basic financial statements in accordance with PFRS for SMEs:

a. Net sales/receipts declared in the Parent Company's Value added tax (VAT) returns filed

	2015	
	Net Sales/Receipts	**Output VAT**
Zero-rated sales	**373,498,812**	**–**

	2014	
	Net Sales/Receipts	Output VAT
Zero-rated sales	300,790,426	–

In accordance with pertinent tax laws and revenue regulations, zero-rated sale of services consists of export sales.

b. As a PEZA-registered enterprise the Parent Company is entitled to tax and duty free importations of merchandise which include raw materials, capital equipment, machinery and spare parts.

c. Documentary stamp tax paid

Nature	**2015**	2014
	₱	₱
Lease contracts	**132,519**	626

d. Other taxes lodged under operating expenses

Nature	**2015**	2014
	₱	₱
Documentary stamp taxes (see item c. above)	**132,519**	626
Business permit	**75,219**	62,251
Community tax certificate	**10,500**	10,500
Annual registration fee	**500**	500
Miscellaneous	**15,802**	4,090
Total	**234,540**	77,967

e. Withholding taxes

Nature	**2015**	2014
	₱	₱
Compensation	**19,694,255**	17,209,445
Expanded	**1,858,025**	1,070,165
Fringe benefit tax	**140,858**	49,407
Total	**13,541,748**	18,329,017

f. Tax Assessments and Cases

The Parent Company has no open letters of authority, tax verification notices, deficiency tax assessments and tax cases as of March 31, 2015 and 2014.

g. Parent Company has no transactions for the years ended March 31, 2015 and 2014 that were subject to the following taxes:

- Excise taxes
- Capital gains tax

vCUSTOMER PHILIPPINES (CEBU), INC.

Board of Directors

Mr. Anand Achuthan

Mr. Uttiya Sengupta

Mr. Narinder Singh Sethi

Ms. Lynette De Guzman

Mr. Danilo O. Cortina

Registered Office

4th Floor, JESA Building,

90 General Maxilom Ave. ,

Cebu City , Philippines

Bankers

Union Bank of the Philippines

Auditors

Constantino Guadalquiver & Co

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of vCustomer Philippines (Cebu), Inc. (vCPCI) for the year ended March 31, 2015.

Financial Results (PHP)

For the years ended	**March 31, 2015**	March 31, 2014
Revenue	**Php 181,384,667**	Php 137,258,984
Profit	**Php 13,721,357**	Php 14,156,519

Review of Operations:

For the fiscal year ended March 31, 2015, vCPCI reported revenue amounted to Php 181,384,667. An increase of 32% over the last reporting period year ended March 31, 2014. Profit for the fiscal year ended March 31, 2015 amounted to Php 13,721,357, 3% decrease over the last reporting period. vCPCI is still entitled to Income Tax Holiday (ITH).

Future Plans and Appropriations

vCPCI appropriated Php 42 million of retained earnings for office renovations and equipment upgrade which is estimated to take place starting April 1, 2014 until March 31, 2016. vCPCI is expecting engagement of additional account/clients and increase and employee head count.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Anand Achuthan

President

Lynette De Guzman

Chief Finance Officer

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors

vCustomer Philippines (Cebu), Inc

90 General Maxilom Avenue, Cebu City

Report on Financial Statements

We have audited the accompanying financial statements of vCustomer Philippines (Cebu), Inc. which comprise the statements of financial position as at March 31, 2015 and 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities

(PFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are• free from material misstatement.

An audit involves performing procedures. to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates mode by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of vCustomer Philippines (Cebu), Inc. as at March 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities.

CONSTANTINO GUADALQUIVER & CO.

By:

ANNALYN B. ARTUZ
Partner
Makati City

April 21, 2015

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2015 AND 2014

Amounts in Philippine Pesos ₱

	Note	March 31 2015	2014
ASSETS			
Current Assets			
Cash	5	**4,765,010**	36,922,037
Receivables	6	**50,476,234**	8,777,648
Prepaid expenses	7	**5,553,173**	2,819,439
Total Current Assets		**60,794,417**	48,519,124
Noncurrent Assets			
Property and equipment - net	8	**80,162,197**	5,091,451
Software - net	9	**15,404**	39,917
Refundable deposits	10	**7,377,929**	1,916,731
Total Noncurrent Assets		**87,555,530**	7,048,099
		148,349,947	55,567,223
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	11	**71,382,675**	11,864,317
Advances from a related party	12	**20,158,200**	1,862,184
Total Current Liabilities		**91,540,875**	13,726,501
Noncurrent Liability			
Accrued retirement benefits costs	19	**2,367,289**	1,120,296
Total Liabilities		**93,908,164**	14,846,797
Equity	13		
Capital stock		**9,500,000**	9,500,000
Retained earnings			
Appropriated		**42,000,000**	27,000,000
Unappropriated		**2,941,783**	4,220,426
Total Retained Earnings		**44,941,783**	31,220,426
Total Equity		**54,441,783**	40,720,426
		148,349,947	55,567,223

See accompanying Notes to Financial Statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

Amounts in Philippine Pesos P

	Note	March 31 2015	2014
SERVICE REVENUE	12	**181,384,667**	137,258,984
COST OF SERVICES	16	**130,326,212**	97,128,201
GROSS PROFIT		**51,058,455**	40,130,783
OPERATING EXPENSES	17	**36,030,777**	27,557,679
PROFIT FROM OPERATIONS		**15,027,678**	12,573,104
FOREIGN EXCHANGE GAIN (LOSS) - Net	14	**(1,324,689)**	1,564,449
INTEREST INCOME	5	**18,368**	18,966
NET PROFIT	20	**13,721,357**	14,156,519

See accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

AS OF AND FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

Amounts in Philippine Pesos ₱

	Note	March 31 **2015**	2014
CAPITAL STOCK - ₱10 par value	13		
Authorized - 1,000,000 shares			
Issued and outstanding - 950,000 shares			
Balance at beginning and end of year		**9,500,000**	9,500,000
RETAINED EARNINGS	13		
Appropriated			
Balance at beginning of year		**27,000,000**	12,000,000
Appropriation for business expansion		**15,000,000**	27,000,000
Reversal of appropriation		**–**	(12,000,000)
Balance at end of year		**42,000,000**	27,000,000
Unappropriated			
Balance at beginning of year		**4,220,426**	5,063,907
Net profit during the year		**13,721,357**	14,156,519
Appropriation for business expansion		**(15,000,000)**	(27,000,000)
Reversal of appropriation		**–**	12,000,000
Balance at end of year		**2,941,783**	4,220,426
Total Retained Earnings		**44,941,783**	31,220,426
		54,441,783	40,720,426

See accompanying Notes to Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

Amounts in Philippine Pesos ₱

	Notes	March 31 2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit		**13,721,357**	14,156,519
Adjustments for:			
Depreciation and amortization	16	**7,481,284**	13,374,867
Retirement benefits costs	19	**1,246,993**	1,120,296
Unrealized foreign exchange loss (gain) - net	14	**950,610**	(1,227,866)
Interest income	5	**(18,368)**	(18,966)
Net profit before working capital changes		**23,381,876**	27,404,850
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	6	**(42,300,216)**	1,779,917
Prepaid expenses		**(2,733,734)**	(1,958,659)
Increase (decrease) in accounts payable and other current liabilities	11	**26,464,729**	(406,920)
Cash generated from operations		**4,812,655**	26,819,188
Interest received	5	**18,368**	18,966
Net cash provided by operating activities		**4,831,023**	26,838,154
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment	8	**(49,235,395)**	(639,547)
Software	9	**-**	(37,000)
Refundable deposits	10	**(5,461,198)**	–
Net cash used investing activities		**(54,696,593)**	(676,547)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances received from a related party		**19,962,450**	1,862,184
Payments made to a related party		**(1,862,184)**	–
Net cash provided by a financing activities	12	**18,100,266**	1,862,184
EFFECTS OF EXCHANGE RATE CHANGES ON CASH		**(391,723)**	(5,870)
NET INCREASE IN CASH		**(32,157,027)**	28,017,921
CASH AT BEGINNING OF YEAR	5	**36,922,037**	8,904,116
CASH AT END OF YEAR	5	**4,765,010**	36,922,037

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

(A Wholly Owned Subsidiary of vCustomer Philippines, Inc.)

AS OF MARCH 31, 2015 AND 2014

(Amounts in Philippine Pesos)

1. **Corporate Information**

vCustomer Philippines (Cebu), Inc. (the Company) was incorporated on January 20, 2011 primarily to carry on the business of providing services to customers in any part of the world through any and all medium of communication including internet and telephone including management services, solutions to business problems, web designing, customer relations, development/production of software and software systems, data warehousing, data mining, processing and analysis of software and software systems, consultancy and advisory services in software and software systems, without operating as public utility; to carry on the business of data processing and analysis including assimilation, sorting, processing and communication of data and graphs, development of computer system, software development, data preparation and verification, data analysis, data transmission and computation through the computer or other devices encompassing digital, analogue and graphic processes and any other medium and processes as may evolve and to deal on all areas relating to information technology; to undertake merchandising and logistic activities in the area of electronic commerce as well as other form of commerce and commercial transactions and to undertake the operation and management of e-mail services centers, customer response centers, computer education and centers for the foregoing operations, loyalty incentive and motivation programmes, direct marketing activities, database management, back office support and all internet and web related work; and in addition, to have shared resources and assets with other entities providing similar services.

The Company is a wholly owned subsidiary of vCustomer Philippines, Inc. (Parent Company), a company incorporated in the Philippines, and located at 3rd Floor eCommerce Plaza, Eastwood Cyberpark, Quezon City. The Parent Company is a wholly owned subsidiary of New vC Services Private Limited (formerly Value Fincon Private Limited), a company organized and existing under the laws of India. New vC Services Private Limited is a subsidiary of Tech Mahindra Limited, a corporation also organized and existing under the laws of India.

The Company's registered business address is located at 90 General Maxilom Avenue, Cebu City and the Parent Company's registered principal office address is at 3rd Floor, eCommerce Plaza, Eastwood Cyberpark, Quezon City.

Registration with the Philippine Economic Zone Authority

On February 8, 2011, the Company was registered with the Philippine Economic Zone Authority (PEZA) as an Ecozone IT enterprise. As a PEZA-registered enterprise, the Company is entitled to incentives granted to non-pioneer projects under Republic Act (RA) 7916, the Special Economic Zone Act of 1995, as amended, and the PEZA IT Guidelines, which include the corporate Income Tax Holiday (ITH) for four (4) years for original project effective on the date of start of commercial operations and after the lapse of ITH, a 5% Gross Income Tax (5% GIT) incentive, in lieu of all national and local taxes. The Company has started its commercial operations as a registered Ecozone IT Enterprise on July 1, 2011 and is entitled to ITH up to June 30, 2015.

On February 20, 2015, PEZA approved the Company's application for extension of ITH based on Net Foreign Exchange Earnings (NFEE) criterion in accordance with EPZA (now PEZA)General Circular No. 94-001 and Rule XV, Section 6, Paragraph A(6) of the PEZA Rules. ITH extension was for the period July 1, 2015 to June 30, 2016.

Authorization for the Issuance of Financial Statements

The Company's financial statements as of March 31, 2015 and 2014 were authorized for issue by the Board of Directors (BOD) on April 21, 2015.

2. **Basis of Preparation**

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency. All amounts are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3. **Summary of Significant Accounting and Financial Reporting Policies**

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contracts. Basic financial instruments such as cash, debt instruments (account, notes, and loans receivable or payable) are initially measured at their transaction price. Subsequently, debt instruments are carried at amortized cost using the effective interest method. The amortized cost of the financial asset (liability) is the present value of future cash receipts (payments) discounted at the effective interest rate. Specifically, the amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Debt instruments that are classified as current assets and current liabilities are measured at their undiscounted amount of cash or other considerations expected to be paid or received. Financial assets and liabilities are considered current when these are expected to be realized within twelve (12) months after end of reporting date, or when these are due and demandable or to be settled upon demand. Other financial instruments are initially carried at transaction price and subsequently, at fair value through profit or loss. Where the future cash flows or fair value of financial instruments including debt instruments are not readily determinable nor can be measured reliably, the financial instruments are measured at cost less any impairment.

Specifically, the following financial assets and liabilities of the Company are measured in accordance with the preceding policy as follows:

- Cash which includes cash on hand and cash in banks are stated at their face value.
- Trade receivables and payables, which are based on normal credit terms and do not bear interest, are stated at their original invoice or accrued amounts.
- Nontrade receivables (excluding advances to employees subject to liquidation) and payables (excluding government regulated payables), advances to/from related parties, if any, are measured at the expected cash considerations to be received or paid.
- Rental and utilities deposits are carried at costs less any impairment.

The Company has no financial instruments that are carried at fair value through profit and loss.

Impairment of Financial Assets

At the end of each financial reporting period, the carrying amounts of financial assets are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit and loss, and allowance for impairment is deducted from the related asset that is carried at cost or amortized cost.

Derecognition of Financial Assets and Liabilities

The Company derecognizes a financial asset when:

- The contractual rights to the cash flows from the financial asset expire or are settled; or
- The Company transfers to another party substantially all the risks and rewards of ownership of the financial asset; or
- The Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Company shall:
  - (i) Derecognize the asset
  - (ii) Recognize separately any rights and obligations retained or created in the transfer

The carrying amount of the transferred asset shall be allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations shall be measured at their fair values at that date. Any difference between the consideration received and the amounts recognized and derecognized shall be recognized in profit or loss in the period of transfer.

If a transfer does not result in derecognition because the Company has retained significant risks and rewards of ownership of the transferred asset, the Company shall continue to recognize the transferred asset in its entirety and shall recognize a financial liability for the consideration received. The asset and liability shall not be offset. In subsequent periods, the Company shall recognize any income on the transferred asset and any expense incurred on the financial liability.

The Company derecognizes a financial liability or a part of financial liability only when it is extinguished i.e., when the obligation specified in the contract is discharged, cancelled or expired.

Advances to Suppliers

Advances to suppliers represents amounts paid in advance for goods or services that are yet to be rendered and from which future economic benefits are expected to flow to the Company within the normal operating cycle or within 12 months from the balance sheet date. These are initially recorded at actual cash advanced and are subsequently applied against subsequent purchases.

Advances to Employees

Advances to employees represents amounts advanced for goods or services that are yet to be delivered and from which future economic benefits are expected to flow to the Company within the normal operating cycle or within 12 months from the balance sheet date. These are initially recorded at actual cash advanced to employees and are subsequently applied against purchases of related assets or expenses incurred.

Prepaid Expenses

Prepaid expenses are costs which are paid in advance of actually incurring them and regularly recurring in the normal course of the business. Prepaid expenses are amortized as the benefits of the payments are received by the Company. Prepaid expenses are charged to expense in the applicable period of expiration. Prepaid expense that will subsequently expire and be charged to related expense within the next year is classified as current assets. Thus, amounts which will be amortized beyond the following year are classified under noncurrent assets.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value.

The initial cost of property and equipment comprises its purchase price or construction cost and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenses incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations or profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

Particulars	**Years**
Office equipment	5
Communication equipment	3
Leasehold improvements	3
Furniture and fixtures	3

Leasehold improvements are amortized over the terms of the respective leases or over their estimated useful lives, whichever is shorter.

The useful life and depreciation and amortization methods are reviewed periodically to ensure the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Construction in Progress

Construction in progress are stated at cost. This includes cost of construction and other direct costs. Borrowing costs, if any, that are directly attributable to the construction of leasehold improvements are capitalized during the construction period. This is not depreciated until such time as the relevant assets are completed and put into the operational use. Assets under construction are reclassified to a specific category of property and equipment when the construction or installation and related activities necessary to prepare the properties for their intended use are completed and the properties are available for service.

Software

Software is measured on initial recognition at cost. Subsequent to initial recognition, software is carried at cost less any accumulated amortization and any accumulated impairment losses.

The Company assessed the useful lives of software to be finite. Software is amortized using the straight – line method over the economic useful life of three (3) years and is assessed for impairment whenever there is an indication that the software may be impaired. The amortization period and method are reviewed at least each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on software is recognized in the profit or loss.

Gains and losses arising from derecognition of software are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss.

Impairment of Non-financial Assets

The Company assesses at each reporting date whether there are indications that its prepaid expenses, property and equipment, and software maybe impaired. The carrying values of these assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss on a non-revalued asset is recognized immediately in profit or loss. Impairment losses, if any, are recognized in profit or loss. The Company assesses at each reporting date whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. The Company considers external and internal sources of information in its assessment of the reversal of previously recognized impairment losses. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Determining the fair value of assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions. Future event could cause the Company to conclude that the assets are impaired. An increase in allowance for impairment losses would increase operating expenses and decrease the related assets.

<u>Equity</u>

- Capital stock is measured at par value for all shares subscribed and paid, or issued.
- Retained earnings consist of appropriated and unappropriated retained earnings. Appropriated retained earnings are restricted for specific purposes that are approved by the BOD (e.g. expansion projects). Unappropriated retained earnings are not restricted and include the cumulative balance of periodic net income or losses, dividend distributions, effects of changes in accounting policy and other capital adjustments.
- Dividends on capital stock are recognized when approved by the shareholders of the Company. Dividends for the year that are approved after the end of the financial reporting period are dealt with as an event after end of financial reporting period.

<u>Revenue Recognition</u>

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of revenue, related cost incurred or to be incurred/cost to complete the transactions can be measured reliably. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company has conducted that it is acting as a principal in all of its revenue arrangements. Revenue is measured at the fair value of the consideration received or receivable taking into account discounts such as prompt settlement discounts, if any. Revenue recognized excludes any value added taxes. The following specific recognition criteria must also be met before revenue is recognized:

- *Service revenue.* Revenue is recognized to the extent of actual services delivered during the period in accordance with the terms of the contract. Amounts that are received in advance of actually earning them are recognized and presented as liability. Service rendered but not yet billed, if any, are accrued.
- *Interest income*. Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.
- *Other income.* Other income is recognized as this accrues and earned.

<u>Cost and Expense Recognition</u>

Costs and expenses are recognized in the profit or loss upon utilization of the service or at the date they are incurred. Interest and similar expenses are reported on accrual basis.

<u>Operating Lease</u>

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;

b. a renewal option is exercised or extension is granted, unless the term of the renewal or extension was initially included in the lease term;

c. there is a change in the determination of whether fulfillment is dependent on a specified asset or;

d. there is a substantial change to the asset.

Company as a lessee

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating lease. Lease payments under an operating lease are recognized as an expense based on the amount incurred as stipulated in the lease contract. The Company considers such recognition of lease expense as systematic basis and is representative of the time pattern of the Company's benefit. Associated cost such as repairs and maintenance and business taxes are expense when incurred.

Employee Benefits

Short-term benefits

Short-term employee benefits are recognized as expense in the period when the economic benefits are given. Unpaid benefits at end of the financial reporting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term employee benefits given by the Company includes salaries and wages, social security system contributions, bonuses and other non-monetary benefits.

Retirement benefits costs

The Company has not established a formal retirement plan. However, it accrues the estimated cost of retirement benefit required by the provision of Republic Act No. 7641 (Retirement Law) which is a defined benefit type. In the absence of any plan asset or funding to the retirement, the amount recognized as accrued retirement liability is the present value of the defined benefit obligation at the end of financial reporting period. Retirement benefit is actuarially determined using the projected unit credit actuarial valuation method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each separately to build up the final obligation. Actuarial gain or loss and past service costs are recognized immediately in profit or loss. Gains or losses on the curtailment or settlement of pension benefits are recognized when the curtailment or settlement occurs.

Related Party Transactions

Related party transactions are transfers of resources, services or obligations between the company and its related parties, regardless whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the company; (b) associates; (c) and, individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Foreign Currency Transactions and Translations

Transactions denominated in foreign currencies are recorded in Philippine Pesos using the exchange rate at the date of the transactions. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at the end of financial reporting period. Gains or losses arising from foreign currency transactions are credited or charged directly to current operations.

Provisions

Provisions are recognized only when the following conditions are met: a) there exists a present obligation (legal or constructive) as a result of past event; b) it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and c) reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefit is probable.

Events After End of Financial Reporting Period

Post year-end events that provide additional information about the Company's position at the end of financial reporting period (adjusting events) are reflected in the Company's financial statements. However, post year-end events that are non-adjusting events are disclosed in the notes to financial statements when material.

4. **Management Use of Judgments and Estimates**

The preparation of the Company's financial statements in conformity with PFRS for SMEs requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. In preparing the Company's financial statements, management has made its best judgment and estimates of certain amounts, giving due consideration to materiality. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of date of the financial statements. The uncertainties inherent in these judgments and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future years. Accordingly, actual results could differ from those estimates, and such estimates will be adjusted accordingly.

The following is a summary of these significant estimates and judgments and the related impact and associated risks on the financial statements:

<u>Judgments</u>

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

- *Assessment of Classification of Financial Instrument*

  The management classifies a financial instrument on initial recognition as a financial asset and a financial liability in accordance with the substance of the contractual arrangement and the definitions of a financial asset and a financial liability.

- *Assessment whether the Lease Agreement is a Finance or Operating Lease*

  Management assesses at the inception of the lease whether the arrangement is finance or operating lease based on who bears substantially all the risks and benefits incidental to ownership of the leased item. The Company as a lessee has entered into a lease contract for its office where it has determined that the risks and rewards related to the property are retained by the lessor. As such, the agreement is accounted for as operating lease.

- *Determination of Functional Currency*

  Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the costs and expenses of providing the services which are the basis of revenues.

- *Assessment of Impairment of Non-Financial Asset*

  Impairment review is performed on property and equipment and software when certain impairment indicators are present. Determining fair value of the assets requires estimation of future economic benefit or cash flows expected to be generated from the continued use and ultimate disposition of such assets and requires the Company to make estimates and assumptions that can materially affect the Company's financial statements. Future events could cause the Company to conclude that the assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial condition and results of operations. An increase in provision for impairment losses would increase operating expense and decrease related assets.

  No impairment loss is recognized in the Company's financial statements in 2015 and 2014 as management has not identified any impairment indicators.

- *Measurement of Refundable Deposits*

  The future cash flows of rental deposits from the lease of office space cannot be readily determined nor reliably measured because the actual timing of payment cannot be reasonably predicted as these deposits are generally redeposited every renewal of lease contracts, the new terms and conditions thereof are not yet known. Further, the deposits that will actually be repaid to the Company are also attached to a conditional repayment provision that is the faithful performance by the Company as lessee of its obligations under the lease contracts. Accordingly, rental deposits are carried at cost less any impairment.

  The future cash flows of utility deposits recorded under deposits are not readily determinable nor reliably measured because the actual timing of receipt is linked to the cessation of the service of the utility or service entities to the Company which cannot be reasonably predicted. Accordingly, the utility deposits are carried at cost less any impairment.

<u>Estimates</u>

- *Estimation of Allowance for Doubtful Accounts or Impairment of Receivables and Rental and Utility Deposits*

The Company maintains allowance for doubtful accounts or impairment at a level adequate to provide for potential uncollectible receivables and rental deposits. The level of this allowance is evaluated by management on the basis of factors that affect the collectability or realizability of the accounts. These factors include, but not limited to, the length of the Company's relationship with the customers/debtors, the customers/debtors' payment behaviour and known market factors. The Company reviews the age and status of receivables, and identifies accounts that are to be provided by allowance on a continuous basis. The amount and timing of impairment for any period would therefore differ based on the judgment or estimates made. Any increase in allowance for impairment losses would increase operating expenses and decrease the related assets.

No allowance for doubtful accounts is provided as of March 31, 2015 and 2014. The carrying value of receivables is shown in Note 6. Refundable rental and utility deposits amounted to ₱ 7,377,929 and ₱ 1,916,731 as of March 31, 2015 and 2014, respectively (see Note 10).

• *Estimation of Useful Lives of Property and Equipment and Software*

Useful lives of property and equipment and software are estimated based on the period over which these assets are expected to be available for use. The estimated useful lives of property and equipment and software may differ from previous estimate due to physical wear and tear. Any reduction in the estimated useful lives of property and equipment and software would increase the Company's recorded cost of services and operating expenses and decrease property and equipment and software.

The carrying values of property and equipment and software as of March 31, 2015 and 2014 are shown in Notes 8 and 9, respectively.

• *Estimation of Retirement Benefits Costs*

The determination of the Company's obligation and cost for pension and other retirement benefits is dependent on management's selection of certain assumptions used by actuaries in calculating such amounts.

The assumptions for pension costs and other retirement benefits are described in Note 19, and include among others, rates of compensation increase. While management believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in management assumptions may materially affect the Company's pension and other retirement obligations in the future. Any changes in the estimate would increase or decrease the amount recognized as accrued retirement liability and amount recognized in profit or loss.

Accrued retirement benefits costs amounted to ₱ 2,367,289 and ₱ 1,120,296 as of March 31, 2015 and 2014, respectively. Additional information is disclosed in Note 19 to the consolidated financial statements.

Estimation of Provisions

The estimate of the probable costs for possible third party claims, including tax liabilities, if any, has been developed based on management's analysis of potential results. When management believes that the eventual liabilities under these claims, if any, will not have a material effect on the Company's financial statements, no provision for probable losses is recognized. Any increase in provision would increase operating expenses and decrease the related assets.

No provision is recognized in the Company's financial statements as of March 31, 2015 and 2014 as management has not identified any probable costs for possible third party claims.

5. Cash

This account consists of:

	2015	2014
	₱	₱
Cash in banks (Note 14)	**4,745,010**	36,902,037
Cash on hand	**20,000**	20,000
Total (Note 15)	**4,765,010**	36,922,037

Cash in banks pertain to the savings and current accounts which earned interest at prevailing respective bank rates. Interest income amounted to ₱ 18,368 in 2015 and ₱ 18,966 in 2014.

6. Receivables

This account consists of:

	2015	2014
	₱	₱
Trade (Notes 12 and 14)	**48,459,588**	8,606,530
Advances to suppliers	**1,816,369**	–
Others	**200,277**	171,118
Total	**50,476,234**	8,777,648

Advances to suppliers represent amounts paid in advance for architectural works and supply of data center equipment.

Other receivables include advances to employees for business expenses that are subject to liquidation and Company's claims for refund from SSS for the health benefits advanced by the Company to the employees on behalf of SSS.

All of the Company's receivables have been reviewed for indication of impairment. No allowance for impairment loss is recognized in the Company's financial statements in 2015 and 2014.

The carrying values of financial assets included in Receivables amounted to ₱ 48,459,588 and ₱ 8,606,530 as of March 31, 2015 and 2014, respectively (see Note 15).

7. Prepaid Expenses

This account consists of:

	2015	2014
	₱	₱
Prepaid insurance	**1,527,187**	1,090,413
Prepaid rent (Note 18)	**3,714,764**	–
Other prepaid expenses	**311,222**	1,729,026
Total	**5,553,173**	2,819,439

Other prepaid expenses in 2015 includes payments for desktop rentals and accommodation and the other prepaid expenses in 2014 includes payment for support services.

8. Property and Equipment - Net

The rollforward analysis of this account follows:

(Amounts in Philippine Pesos ₱)

	2015					
	Office equipment	**Communication equipment**	**Leasehold improvements**	**Furniture and fixture**	**Construction in progress**	**Total**
Cost:						
Balance at beginning of year	**12,967,505**	**12,198,872**	**8,575,929**	**8,467,859**	**–**	**42,210,165**
Additions	**6,329,458**	**11,677,590**	**8,818,918**	**32,130**	**55,669,421**	**82,527,517**
Balance at end of year	**19,296,963**	**23,876,462**	**17,394,847**	**8,499,989**	**55,669,421**	**124,737,682**
Accumulated depreciation and amortization:						
Balance at beginning of year	**9,780,514**	**11,449,484**	**7,928,170**	**7,960,546**	**–**	**37,118,714**
Depreciation and amortization(Note 16)	**3,227,170**	**1,106,422**	**2,622,570**	**500,609**	**–**	**7,456,771**
Balance at end of year	**13,007,684**	**12,555,906**	**10,550,740**	**8,461,155**	**–**	**44,575,485**
Net carrying value	**6,289,279**	**11,320,556**	**6,844,107**	**38,834**	**55,669,421**	**80,162,197**

	2014					
	Office equipment	Communication equipment	Leasehold improvements	Furniture and fixture	Construction in progress	Total
Cost:						
Balance at beginning of year	12,453,078	12,199,039	8,459,929	8,467,859	–	41,579,905
Additions	514,427	9,120	116,000	–	–	639,547
Write-off	–	(9,287)	–	–	–	(9,287)
Balance at end of year	12,967,505	12,198,872	8,575,929	8,467,859	–	42,210,165
Accumulated depreciation and amortization:						
Balance at beginning of year	6,065,182	7,473,623	5,100,749	5,137,926	–	23,777,480
Depreciation and amortization (Note 16	3,715,332	3,985,148	2,827,421	2,822,620	–	13,350,521
Write-off	–	(9,287)	–	–	–	(9,287)
Balance at end of year	9,780,514	11,449,484	7,928,170	7,960,546	–	37,118,714
Net carrying value	3,186,991	749,388	647,759	507,313	–	5,091,451

The depreciation and amortization is presented as part of the following accounts:

	2015	2014
	₱	₱
Cost of services (Note 16)	**7,116,338**	12,682,995
Operating expense (Note 17)	**340,433**	667,526
Total	**7,456,771**	13,350,521

Construction in progress pertains to the renovation and construction of office space for business expansion as discussed in Note 13.

The write-off of property and equipment pertains to retirement of communication equipment.

Management believes that there is no indication of impairment of the Company's property and equipment and that its carrying amount can be recovered through use in operations.

There were no property and equipment pledged as collateral for any of the Company's debt.

9. Software - Net

The rollforward analysis of this account follows:

	2015	2014
	₱	₱
Cost:		
Balance at beginning of year	**80,340**	43,340
Acquisition	**-**	37,000
Balance at end of year	**80,340**	80,340
Accumulated amortization:		
Balance at beginning of year	**40,423**	16,077
Amortization (Note 16)	**24,513**	24,346
Balance at end of year	**64,936**	40,423
Net carrying value	**15,404**	39,917

The depreciation and amortization is presented as part of the following accounts:

	2015	2014
	₱	₱
Cost of services (Note 16)	**23,394**	23,129
Operating expense (Note 17)	**1,119**	1,217
Total	**24,513**	24,364

Management believes that there is no indication of impairment of the Company's software and that its carrying amount can be recovered through use in operations.

10. Refundable Deposits

This account consists of:

	2015	2014
	₱	₱
Rental deposits (Note 18)	**6,902,449**	1,550,250
Utilities deposits	**475,480**	366,481
Total	**7,377,929**	1,916,731

These deposits are refundable upon termination of the contract or cessation of the related services.

Management believes that there is no indication of impairment on the Company's deposits and their carrying amount can be recovered.

11. Accounts Payable and Other Current Liabilities

This account consists of:

	2015	2014
	₱	₱
Accrued construction in progress (Note 8)	**33,292,122**	–
Salaries payable	**10,471,810**	5,850,186
Accounts payable		
Non related party	**12,908,647**	4,120,569
Related party	**4,711,258**	–
Deferred output VAT	**4,667,329**	–
Accrued expenses	**2,353,091**	1,369,761
Withholding taxes	**1,827,907**	15,269
SSS, Philhealth and HDMF payables	**1,150,511**	508,532
Total	**71,382,675**	11,864,317

Accrued construction in progress pertains to the unpaid costs of renovation and construction of office space for business expansion as discussed in Note 13.

Deferred output VAT represents output VAT included in receivables arising from services which are not yet collected as of March 31, 2015.

Accrued expenses in 2015 include accruals of employee's leave encashment, office communication and facilities usage, accommodation and technical charges; professional fees and recruitment while accrued expenses in 2014 include technical charges, office communication and facilities usage.

The carrying amounts of financial liabilities included in Accounts payable and other current

liabilities amounted to ₱ 63,736,928 and ₱ 11,340,516 as of March 31, 2015 and 2014, respectively (see Note 15).

12. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders. For purposes of financial statement disclosure, the Company and its affiliates have common stockholders, either direct or indirect.

a. The Company entered into a Service Agreement with VSLLC, a Company incorporated under the laws of the United States of America (USA), an affiliate, for an indefinite period unless mutually terminated, to provide web-based support (chat, email, fax); telephony support (voice); directory assistance; eCRM database management, eCRM database mining; web- based self-help solutions; remote website administration; remote back office support; remote system administration and technical help desk services in the United States through contact center representatives and such other functions as may be required in relation to the performance of its support function. In consideration thereof, the Company bills VSLLC ten percent (10%) mark-up rate on all costs (cost and operating expenses) incurred by the Company in providing the services based on the financial statements prepared in accordance with PFRS for SME. Contract receivables are billed by the Company to VSLLC in US dollars on a periodical basis and are settled in the same currency. Total billings recognized as revenue relating to the Service Agreements amounted to ₱ 142,460,131 and ₱ 136,303,560 for the years ended March 31, 2015 and 2014, respectively. VSLLC was merged with Tech Mahindra (Americas) Inc. on February 2, 2015. Accordingly, billings were made to Tech Mahindra Limited subsequently. Outstanding receivables as of March 31, 2015 and 2014 amounted to ₱ 3,906,435 and ₱ 7,651,106, respectively. Outstanding payable amounted to ₱ 4,771,258 as of March 31, 2015.

b. vCPI entered into a Sub – contract Agreement with Tech Mahindra Limited (TML) to provide the services required in the Master Service Agreement between TML and a local telecommunication company. Total revenue relative to this Agreement amounted to ₱ 38,924,536 in 2015 and ₱ 955,424 in 2014. Outstanding receivables amounted to ₱ 44,553,153 and ₱ 955,424 as of March 31, 2015 and 2014, respectively.

c. The Company received noninterest – bearing and unsecured advances from related parties for capital expenditure requirements.

d. The table below summarizes the foregoing transactions with related parties:

		2015		
Category	**Amount**	**Outstanding Balance Asset (Liability)**	**Terms/ Conditions**	**Guarantees/ Settlement/ Provisions**
	₱	**₱**		
Tech Mahindra (Americas) Inc. (a subsidiary of Tech Mahindra Limited)				
1. Services				
• Service revenue (Note 6)	**120,860,881**	**(4,711,258)**	**30 days; non interest- bearing**	**Unsecured; to be settled in cash;**
Tech Mahindra Limited (parent company of Satyam Computer Services Limited)				
1. Services				
• Service revenue (Note 6)	**60,523,786**	**48,459,588**	**30 days; non interest- bearing**	**Unsecured; to be settled in cash; no impairment**
2. Advances from				
• Payments made	**1,862,184***	**–**	**Payable on demand; non interest- bearing**	**Unsecured; to be settled in cash**
Parent Company				
1. Advances from				
• Advances received	**(20,158,200)**	**(20,158,200)**	**Payable on demand; non interest- bearing**	**Unsecured; to be settled in cash**

* Outstanding balances of advances to and advances from related party as of March 31, 2014

Category	Amount	Outstanding Balance Asset (Liability)	2014 Terms/ Conditions	Guarantees/ Settlement/ Provisions
	₱	₱		
vCustomer Services LLC (an affiliate of New vC Services Private Limited)				
1. Services				
• Service revenue (Note 6)	136,303,560	7,651,106	30 days; non interest-bearing	Unsecured; to be settled in cash;
Tech Mahindra Limited (parent company of Satyam Computer Services Limited)				
1. Services				
• Service revenue (Note 6)	955,424	955,424	30 days; non interest-bearing	Unsecured; to be settled in cash; no impairment
New vC Services Private Limited (parent company of vCustomer Philippines, Inc.)				
1. Advances from				
• Advances received	(1,862,184)	(1,862,184)	Payable on demand; non interest- bearing	Unsecured; to be settled in cash

e. Compensation of key management personnel for years ended March 31, 2015 and 2014 is as follows:

	2015	2014
	₱	₱
Retirement benefits costs (Note 19)	**102,009**	72,047
Salaries	**1,987,899**	1,083,390
Allowance	**78,000**	42,000
Other employee benefits	**1,329,138**	774,705
Total	**3,395,037**	1,900,095

Other employee benefits include 13th month pay, performance bonus, leave encashment and other short-term benefits.

There are no other related party transactions.

13. Equity

a. Capital stock

There is no movement in the number of the Company's authorized and subscribed shares of stock for the years ended March 31, 2015 and 2014.

b. Retained earnings

- On April 23, 2013, the Company's BOD approved the appropriation of retained earnings as of March 31, 2013 amounting to ₱ 12 million for business expansion which is estimated to take place starting April 1, 2013 until March 31, 2014. The planned expansion consists of reinvestments for capital expenditures, upgrade and installation of additional equipment for existing and prospective clients.
- On March 28, 2014, the Company's BOD approved the reversal of appropriation for business expansion amounting to ₱ 12 million.
- On March 28, 2014, the Company's BOD approved the appropriation of retained earnings as of March 31, 2014 amounting to ₱ 27 million for business expansion which is estimated to take place starting April 1, 2014 until March 31, 2016. The planned expansion consists of renovation of Cebu site, installation of other equipment for new and existing clients, and engagement of additional accounts and increase in employee head count.
- On April 21, 2015, the Company's BOD resolved that the Corporation confirms the additional appropriation of ₱ 15 million from its current Retained Earnings as of March 31, 2015 which shall be used by the Corporation for its expansion projects in the year 2015 and onwards. The said appropriation shall be reflected in the financial statements as of and for the year ended March 31, 2015. The planned expansion consists of set up of new site, expansion project, installation of other equipment for new and existing clients, and engagement of additional account.

14. Foreign Currency Denominated Monetary Assets and Liabilities

The Company's foreign currency denominated monetary assets and liabilities as of March 31, 2015 and 2014 and their peso equivalents follow:

	2015		2014	
	Foreign Currency	**Philippine Pesos**	Foreign Currency	Philippine Pesos
	$	**₱**	$	₱
Assets				
Cash in banks (Note 5)	**16,138**	**722,908**	411,423	18,512,395
Trade receivables (Note 6))	**1,081,784**	**48,459,588**	191,274	8,606,530
	1,097,922	**49,182,496**	602,697	27,118,925
Liability:				
Accounts payable and other current liabilities (Note 12)	**105,171**	**4,711,258**	41,386	1,862,184

The Company's foreign currency denominated monetary assets and liability were translated to their Philippine Peso equivalents using the following exchange rates.

Currency	**2015**	2014
	₱	₱
US Dollar ($)	**44.796**	44.996

The breakdown of the net foreign exchange gain (loss) for the years ended March 31, 2015 and 2014 is as follow:

	2015	2014
	₱	₱
Realized foreign exchange gain (loss) – net	**(374,079)**	336,583
Unrealized foreign exchange gain (loss) – net	**(950,610)**	1,227,866
Total	**(1,324,689)**	1,564,449

15. Categories of Financial Assets and Financial Liabilities

The carrying amounts of financial assets and liabilities per category:

	2015	2014
	₱	₱
Carrying amounts of financial assets at undiscounted amount*		
Cash (Note 5)	**4,765,010**	36,922,037
Accounts receivable - Net (Note 6)**	**48,459,588**	8,606,530
Total	**53,224,598**	45,528,567
Carrying amount of financial asset at cost less any impairment		
Refundable rental deposits (Note 10)	**7,377,929**	1,916,731

	2015	2014
	₱	₱
Carrying amounts of financial liabilities measured at undiscounted amount*		
Accounts payable and other current liabilities (Note 11)***	**63,736,928**	11,340,516
Advances from a related party (Note 12)	**20,158,200**	1,862,184
Total	**83,895,128**	13,202,700

* As discussed in note 3, debt instruments that are classified as current are measured at their undiscounted amount.

** Excluding non financial assets totaling ₱ 2,016,646 and ₱ 171,118 as of March 31, 2015 and 2014, respectively.

*** Excluding statutory payables totaling ₱ 7,645,747 and ₱ 523,801 as of March 31, 2015 and 2014, respectively.

16. Cost of Services

This account in consists of:

	2015	2014
	₱	₱
Personnel costs	**100,229,071**	62,561,329
IT infrastructure	**11,439,204**	12,768,409
Depreciation and amortization (Notes 8 and 9)	**7,139,732**	12,706,124
Rent (Note 18)	**7,005,605**	5,890,950
Electricity	**4,512,600**	3,201,389
Total	**130,326,212**	97,128,201

Details of personnel costs are as follow:

	2015	2014
	₱	₱
Salaries and wages and other employee benefits	**71,522,010**	44,365,497
Allowances and staff welfare costs	**12,703,801**	10,378,140
13th month pay	**9,880,662**	3,738,908
SSS, PHIC and HDMF premium contributions	**6,020,589**	3,987,139
Retirement benefits costs	**102,009**	91,645
Total	**100,229,071**	62,561,329

Depreciation and amortization are broken down as follow:

	2015	2014
	₱	₱
Property and equipment (Note 8)	**7,116,338**	12,682,995
Software (Note 9)	**23,394**	23,129
Total	**7,139,732**	12,706,124

17. Operating Expenses

This account consists of:

	2015	2014
	₱	₱
Personnel costs	**15,839,645**	10,416,523
Security services	**3,102,861**	2,026,970
Transportation and travel	**2,811,838**	1,166,013
IT infrastructure	**2,316,366**	2,949,566
Facility management services	**2,250,489**	1,155,852
Trainings and recruitment	**1,920,165**	723,764
Staff welfare	**1,649,532**	1,731,303
Outside services	**1,646,455**	3,562,375
Professional fees	**1,261,213**	685,366
Repairs and maintenance	**1,038,958**	461,641
Communication, light and water	**620,623**	344,804
Office supplies	**442,453**	1,089,210
Rent (Note 18)	**343,030**	325,839
Depreciation and amortization (Note 8 and 9)	**341,552**	668,744
Taxes and licenses	**181,205**	24,692
Insurance	**120,870**	97,956
Miscellaneous	**93,746**	47,320
Bank service charge	**49,776**	79,741
Total	**36,030,777**	27,557,679

Miscellaneous expense includes office management and guest house expenses.

Details of personnel costs are as follow:

	2015	2014
	₱	₱
Allowances and staff welfare costs	**6,711,731**	5,071,714
Salaries and wages and other employee benefits	**3,179,550**	2,360,589
Medical and life insurances	**2,684,705**	1,390,461
13th month pay	**1,590,091**	227,216
Retirement benefits costs (Note 19)	**1,144,984**	1,028,651
SSS, PHIC and HDMF premium contributions	**528,584**	337,892
Total	**15,839,645**	10,416,523

Depreciation and amortization are broken down as follow:

	2015	2014
	₱	₱
Property and equipment (Note 8)	**340,433**	667,526
Software (Note 9)	**1,119**	1,218
Total	**341,552**	668,744

18. Lease Agreements

The Company entered into lease agreements for the corporate office unit it occupies. The lease term for the corporate office unit cover ten (10) years with a free fitting out period of three (3) months and an options to extend for another ten (10) years. Future payments under these lease agreements are subject to escalation rate of fifteen percent (15%) starting on April 1, 2016 until on April 1, 2020. The Company entered into an extension of the lease contract for additional spaces in the same building starting May 1, 2014 up to March 31, 2021. Escalation of three percent

(3%) per year is effective starting May 1, 2015. Rent free construction period is for two (2) months.

During the quarter ended September 30, 2014, the Company entered into a new lease agreement to occupy additional office unit. The lease term for the unit covers six (6) years and nine (9) months from July 1, 2014 to March 31, 2021 with a rent free construction period from July 1, 2014 to August 31, 2014.

The Company also entered into a lease agreement for the office unit and parking space for its expansion project. The lease term for office unit cover eight (8) years from January 6, 2015 to January 5, 2023 with free rent for the first three months of the actual handover date.

Total rent expense under operating lease for the above contracts presented in profit or loss follows:

	2015	2014
	₱	₱
Cost of services (Note 16)	**7,005,605**	5,890,950
Operating expenses (Note 17)	**343,030**	325,839
Total	**7,348,635**	6,216,789

Rental deposit relative to these contracts amounted to ₱ 6,902,449 and ₱ 1,550,250 as of March 31, 2015 and 2014, respectively (see Note 10).

Advanced rental made as of March 31, 2015 amounted to ₱ 3,714,764 (see Note 7).

Estimated future minimum rental payments as of March 31, 2015 is as follows:

	2015	2014
	₱	₱
Due within one year	**22,855,423**	6,201,000
Due beyond one year but less than 5 years	**103,538,431**	34,725,600
Due beyond 5 years	**65,001,538**	8,200,864
Total	**191,395,392**	49,127,464

<u>Residential Units</u>

The Company also entered into a lease agreement for the condominium unit for residential use by its visitors. The lease term for the condominium units covers six (6) months or less, renewable upon mutual agreement and consent of both parties. Total rent expense under operating lease under these agreements presented under "Operating expenses" account amounted to ₱ 7,895 and ₱ 15,789 for the years ended March 31, 2015 and 2014, respectively (see Note 17).

There are no significant restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.

19. Retirement Benefits Costs

The Company does not have an established formal retirement plan as of March 31, 2015 and 2014 but accrued retirement benefits costs in accordance with the minimum regulatory benefit under Republic Act No. 7641 which is of the defined benefit type. In the absence of a formal established retirement plan, the retirement benefit obligation is not yet funded. Retirement benefits are based on employees' years of service and compensation levels during employment period. Actuarial valuations are made with sufficient regularity. The most recent actuarial valuation which was made for the year ended March 31, 2015 was dated April 21, 2015. The principal actuarial assumptions used to determine retirement benefits were as follows:

	2015	2014
	₱	₱
Discount rate, beginning of period	**5.25%**	5.25%
Discount rate, end of period	**5.25%**	5.25%
Salary increase rate, beginning of period	**5.00%**	5.00%
Salary increase rate, end of period	**5.00%**	5.00%

The amount recognized in the Statements of financial position as of March 31, 2015 and 2014 was determined as follows:

	2015	2014
	₱	₱
Present value of defined benefit obligation	**2,367,289**	1,120,296
Less fair value of plan assets	**–**	–
Accrued retirement benefits costs recognized in Statements of financial position	**2,367,289**	1,120,296

The amounts recognized in profit and loss for the years ended March 31, 2015 and 2014 were determined as follows:

	2015	2014
	₱	₱
Current service cost	**930,347**	1,120,296
Interest on net defined benefit liability	**58,816**	–
Remeasurement gains	**257,830**	–
Amount recognized in profit and loss (Note 16)	**1,246,993**	1,120,296

The movement of the accrued retirement benefit costs recognized in the Statements of financial position is as follows:

	2015	2014
	₱	₱
Balance at beginning of year	**1,120,296**	–
Amount recognized in profit or loss	**1,246,993**	1,120,296
Balance at end of year	**2,367,289**	1,120,296

20. Income Taxes

The available incentives of the Company as an Ecozone IT Enterprise under the Registration

Agreement with PEZA include the following:

1) Incentives under Book VI of Executive Order No. 226 which include the following:

   a) Corporate income tax holiday (ITH) for four (4) years for original project effective on the date of start of commercial operations, or the actual date of the start of commercial operations, whichever is earlier; ITH entitlement for the original project can also be extended for another three (3) years provided specific criteria are met for each additional year and prior PEZA approval is obtained; duly approved and registered "Expansion" and "New" Projects are entitled to a three-year and four-year Income Tax Holiday, respectively;

   b) Tax and duty free importation of merchandise which include raw materials, capital equipment, machinery and spare parts;

   c) Exemption from wharfage dues and export tax, impost or fees;

   d) VAT zero-rating of local purchases subject to compliance with BIR and PEZA requirements; and

   e) Exemption from payment of any and all local government imposts, fees, licenses and taxes except real estate tax; however, machineries installed and operated in the ecozone for manufacturing, processing or for industrial purposes shall not be subject to payment of real estate taxes for the first three (3) years of operations of such machineries; production equipment not attached to real estate shall be exempt from real property taxes.

2) After the lapse of the ITH, the following incentives shall apply:

   a) Exemption from national and local taxes, in lieu thereof, payment of 5% final tax on gross income as provided in Section 24 of R. A. 7916 and Rule XX of the Rules and Regulations to Implement R. A. 7916, and

   b) Additional deduction for training expenses (1/2 of value) against the 5% tax on gross income earned, but not to exceed 3%, subject to guidelines to be formulated by PEZA in coordination with the Department of Labor and Employment and the Department of Finance (Section 42 of R. A. 7916).

3) Pursuant to BIR's Revenue Regulations No. 14-2002 (Amending Further Pertinent Provisions of Revenue Regulations No. 2-98, as amended), income payments to PEZA registered enterprises under the ITH and 5% GIT incentives are exempt from expanded withholding tax.

4) Non-fiscal incentives shall include the following:

   a) Permanent resident status within the ecozone for foreign investors with initial investment of at least US $150,000;

   b) Employment of foreign nationals; and

   c) Simplified import and export procedures.

21. Supplementary Information Required by the Bureau of Internal Revenue

Revenue Regulation (RR) 15-2010 and 2-2014

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued Revenue Regulation (RR) No. 15-2010 amending certain provisions of RR No. 21-2002, as amended and implementing Section 6 (H) of the Tax Code of 1997 which authorize the Commissioner of Internal Revenue to prescribe additional procedural and/ or documentary requirements in connection with the preparation and submission, filing of financial statements accompanying the tax returns.

On January 24, 2014, RR No. 2-2014 was issued to prescribe the new BIR forms that will be used for Income tax filing covering and starting with December 31, 2013.

The following information on taxes, duties and license fees paid or accrued during the taxable years ended March 31, 2015 and 2014 is presented for purposes of compliance with the disclosure requirements by the BIR as provided for in its RR 15-2010 and is not a required part of the basic financial statements in accordance with PFRS for SMEs:

a Net sales/receipts declared in the Company's Value Added Tax (VAT) returns filed

	2015	
	₱	
	Net sales/ Receipts	Output VAT
Zero-rated sales	**143,445,684**	–

	2014	
	₱	
	Net sales/ Receipts	Output VAT
Zero-rated sales	137,258,984	–

In accordance with pertinent tax laws and revenue regulations, zero-rated sale of services consists of export sales.

b. Documentary stamp tax paid

Nature	2015	2014
	₱	₱
Lease	**150,019**	–
Certified true copy of audited financial statements	**60**	69
	150,079	69

c. Other taxes lodged under operating expenses

Nature	2015	2014
	₱	₱
Business permit	**20,226**	12,631
BIR and PEZA registration, community tax certificate and others	**10,900**	11,992
Documentary stamp taxes (see item b)	**150,079**	69
	181,205	24,692

d. Withholding taxes

Nature	2015	2014
	₱	₱
Withholding taxes on compensation	**6,752,979**	1,415,800
Expanded withholding taxes	**2,201,775**	611,800
	8,954,754	2,027,600

e. Open cases

The Company has no open letters of authority, tax verification notices, and other tax cases as of March 31, 2015 and 2014.

f. The Company has no transactions for the fiscal years ended March 31, 2015 and 2014 that were subject to the following taxes:

- Excise taxes
- Capital gains tax

vCUSTOMER SERVICES, LLC

During the quarter ended March 31, 2015, as per the approved merger scheme, effective date being February 2, 2015, vCustomer Services LLC (100% subsidiary of Tech Mahindra Limited) has been merged with Tech Mahindra (Americas) Inc. (100% subsidiary of Tech Mahindra Limited) and the entire business and all the assets and liabilities, duties and obligations of vCustomer Services LLC have been transferred to and vested in the Tech Mahindra (Americas) Inc. On merger, as per resolution passed by Board of Directors of Tech Mahindra (Americas) Inc. dated February 27, 2015, Tech Mahindra (Americas) Inc. issued 146,745 equity shares to Tech Mahindra Limited, being equity shares issued without consideration received in cash.

INDEPENDENT AUDITORS' REPORT

Board of Directors vCustomer Services, LLC

a wholly owned subsidiary of Tech Mahindra Limited, an India Corporation

Bellevue, Washington

We have audited the accompanying financial statements of vCustomer Services, LLC (the "Company") a wholly owned subsidiary of Tech Mahindra Limited, a company incorporated under the laws of India, which comprise the balance sheets as of January 31, 2015 and March 31, 2014, and the related statements of operations, changes in member's capital, and cash flows for the ten months and twelve months periods, respectively, then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of vCustomer Services, LLC as of January 31, 2015 and March 31, 2014, the results of its operations and its cash flows for the ten months and twelve months periods, respectively, then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

As discussed in Note 6 to the financial statements, the Company has had numerous transactions with affiliated companies.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules of Revenue and Expenses on pages herein are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Catrakilis Kraitzick Hrabova, LLC
Atlanta, Georgia

February 20, 2015

SUPPLEMENTAL BALANCE SHEETS

ASSETS:	Note	**January 31, 2015**	March 31, 2014
		$	$
Current assets:			
Cash		**3,286,491**	3,696,463
Accounts receivable, net	3	**5,356,539**	2,141,170
Prepaid expenses		**9,761**	14,037
Prepaid income tax		**146,737**	306,427
Due from affiliated companies	6	**308,939**	-
Deferred tax asset	7	**35,049**	25,397
Total current assets		**9,143,516**	6,183,494
Property and equipment, net	4	**83,408**	77,965
Other assets:			
Security deposits		**15,540**	9,592
Intangible assets, net	5	**16,108,738**	17,212,076
Total other assets		**16,124,278**	17,221,668
Total Assets		**25,351,202**	23,483,127
LIABILITIES AND MEMBER'S CAPITAL			
Liabilities:			
Current liabilities:			
Accounts payable		**718**	5,111
Accrued expenses		**491,992**	15,418
Due to affiliated companies	6	**79,734**	1,208,414
Total current liabilities		**572,444**	1,228,943
Member's capital		**24,778,758**	22,254,184
Total Liabilities and Member's Capital		**25,351,202**	23,483,127

See note to financial statements.

SUPPLEMENTAL STATEMENTS OF OPERATIONS

	Schedule	Ten Months Ended January 31, 2015	Twelve Months Ended March 31, 2014
		$	$
REVENUE	I	**17,436,977**	17,770,860
OPERATING EXPENSES			
Cost of services	II	**12,130,070**	12,528,984
General and administrative	III	**344,866**	382,911
Amortization		**1,103,339**	1,324,006
Depreciation		**39,180**	32,989
Total operating expenses		**13,617,455**	14,268,890
Operating income		**3,819,522**	3,501,970
Interest income		**2,390**	-
Income before provision for income taxes		**3,821,912**	3,501,970
PROVISION FOR INCOME TAXES Note 7		**1,297,338**	1,193,481
NET INCOME		**2,524,574**	2,308,489

See note to financial statements.

STATEMENT OF CHANGES IN MEMBERS CAPITAL

	Ten Months Ended January 31, 2015	Twelve Months Ended March 31, 2014
	$	$
Balance at beginning of period	**22,254,184**	19,945,695
Net income	**2,524,574**	2,308,489
Balance at end of period	**24,778,758**	22,254,184

See note to financial statements.

SUPPLEMENTAL STATEMENTS OF CASH FLOWS

	Ten Months Ended January 31, 2015	Twelve Months Ended March 31, 2014
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	**2,524,574**	2,308,489
Adjustments to reconcile net income to cash provided by operating activities:		
Amortization	**1,103,339**	1,324,006
Depreciation	**39,180**	32,989
Changes in operating assets and liabilities:		
Accounts receivable	**(3,215,369)**	(118,034)
Due from affiliated company	**(308,939)**	-
Prepaid expenses	**4,276**	49,256
Other current assets	**-**	-
Prepaid income tax	**1,744,263**	(1,117,000)
Deferred tax asset	**(9,652)**	(6,260)
Security deposits	**(5,948)**	-
Accounts payable	**(4,394)**	1,412
Accrued expenses	**476,574**	459
Income tax payable	**(1,584,573)**	1,199,741
Due to affiliated companies	**(1,128,680)**	(798,030)
Net Cash Provided by (Used in) Operating Activities	**(365,349)**	2,877,028
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(44,623)**	(36,803)
Net Cash Used in Investing Activities	**(44,623)**	(36,803)
Net increase (decrease) in cash	**(409,972)**	2,840,225
Cash, beginning of period	**3,696,463**	856,238
Cash, end of period	**3,286,491**	3,696,463
Supplemental disclosure:		
Cash paid for income taxes	**1,065,000**	1,117,000

See note to financial statements.

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

vCustomer Services, LLC (the "Company") was formed in the State of Washington on October 20, 2011. The Company was wholly owned by vCustomer Corporation, a Washington corporation, and was formed to provide Business Process Outsourcing (BPO) services for domestic and international customers. On April 1, 2012, per a membership interest purchase agreement, Tech Mahindra Limited, a company incorporated under the laws of India, acquired 100% of the membership interest of vCustomer Services, LLC. The Company became a wholly owned subsidiary of Tech Mahindra Limited ("TML" or the Parent).

Effective February 2, 2015, the Company merged its entire operations into TML's wholly owned subsidiary, Tech Mahindra (Americas), Inc. ("TMA"). This includes all assets, liabilities, investments and all agreements. vCustomer Services, LLC will no longer exist as a separate legal entity upon the effective date of merger. See Note 8 for further details regarding the merger.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The financial statements presented are for the period April 1, 2014 through January 31, 2015 ("short-year"), the effective date of the merger between the Company and TMA.

The Company has adopted the Financial Accounting Standards Board (FASB) Codification (Codification or ASC). The Codification is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by non-governmental entities. All of the Codification's content carries the same level of authority.

B. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. CASH AND CASH EQUIVALENTS

The Company considers all investments with an original maturity of three months or less to be cash equivalents.

D. ACCOUNTS RECEIVABLE

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. An allowance for doubtful receivables is provided for known and anticipated credit losses, as determined by management in the course of regularly evaluating individual customer receivables. This evaluation takes into consideration a customer's financial condition and credit history, as well as current economic conditions. Accounts receivable are considered delinquent when they are over 90 days past due and are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded in income when received.

E. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets which range from 3 to 5 years.

Expenditures for maintenance and repairs are charged to income as incurred. Additions and betterments are capitalized. The cost of properties sold or otherwise disposed of, and the accumulated depreciation thereon, is eliminated from the property and reserve accounts, and gains and losses are reflected in the statement of income.

F. INTANGIBLE ASSETS

The Company accounts for the intangible assets acquired using FASB ASC 350, Goodwill and Other Intangible Assets. Under FASB ASC 350, identifiable intangible assets are to be amortized over their expected useful economic life and are required to be reviewed for impairment when necessitated by changes in facts and circumstances.

As part of the intangible assets review process completed in the quarter ended March 31, 2013, the Company determined the useful lives for its intangible assets to be fifteen (15 years). Therefore, in accordance with applicable US GAAP guidance, these intangible assets are amortized on the straight-line basis over its determined useful lives.

G. REVENUE RECOGNITION

The Company derives revenue from business process outsource services. Revenue from business process outsource services is recognized on time and material basis, provided that no uncertainties regarding customer acceptance exist and collection of the related receivable is probable.

Unbilled revenue comprises of revenue recognized in relation to efforts incurred on time and material contracts not billed as of the period end where services are performed in accordance with agreed terms.

H. INCOME TAXES

The Company was formed as a single member LLC. For federal income tax purposes the Company was treated as disregarded entity. However, for financial statements purposes, due to the established tax-sharing agreement between the Company and its single member, Tech Mahindra Limited, the Company was required to recognize an allocation of current and deferred income taxes in its own financial statements in accordance with FASB ASC 740, Income Taxes .

On March 13, 2014 management elected to have the entity file income tax returns as a corporation effective January 2014. The Company accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes .

Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740, the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records valuation allowances against deferred tax assets as deemed necessary.

The Company's income tax provisions are based on calculations and assumptions that are subject to examination by the IRS and other tax authorities. Although the Company believes that the positions taken on previously filed tax returns are reasonable, it has established tax and interest reserves in recognition that various taxing authorities may challenge the positions taken, which could result in additional liabilities for taxes and interest. The Company regularly reviews its deferred tax assets for recoverability considering historical profitability, projected future taxable income, the expected timing of the reversals of existing temporary differences and tax planning strategies.

For uncertain tax positions, the Company applies the provisions of relevant authoritative guidance, which requires application of a "more likely than not" threshold to the recognition and de-recognition of tax positions. The Company's ongoing assessments of the more likely than not outcomes of tax authority examinations and related tax positions require significant judgment and can increase or decrease the Company's effective tax rate as well as impact operating results.

3. ACCOUNTS RECEIVABLE, NET

Accounts receivable are summarized as follows as of January 31, 2015 and March 31, 2014:

	January 31, 2015	March 31, 2014
	$	**$**
Amounts due for services rendered and billed:		
Outstanding less than 90 days	**5,293,682**	953,537
Outstanding more than 90 days	**186,078**	123,221
Less: allowance for doubtful accounts	**(123,221)**	(123,221)
Amounts for services rendered and billed:	**5,356,539**	953,537
Amounts for services rendered not billed:	**-**	1,187,633
Accounts receivable, net	**5,356,539**	2,141,170

Concentration of accounts receivable:

As of January 31, 2015, the balances of three customers accounted for 81% of the Company's total accounts receivable. As of March 31, 2014, two customers accounted for 57% of the Company's total accounts receivable. These customers each accounted for more than 10% of the Company's accounts receivable.

Subsequent to year end, as of February 20, 2015 $ 472,564 (9%) of billed accounts receivable balance outstanding at January 31, 2015 had been collected.

4. PROPERTY AND EQUIPMENT, NET

Property and equipment are summarized as follows as of January 31, 2015 and March 31, 2014:

	January 31, 2015	March 31, 2014
	$	$
Computer equipment - cost	**39,972**	39,972
Furniture and office equipment - cost	**14,944**	14,944
Network equipment - cost	**123,793**	79,171
Total Cost	**178,709**	134,087
Less: accumulated depreciation	**(95,301)**	(56,122)
Property and equipment, net	**83,408**	77,965

Depreciation expenses for each period were presented in the accompanying statements of operations. The depreciation policies followed by the Company are described in Note 2E.

5. INTANGIBLE ASSETS, NET

Intangible assets are summarized as follows as of January 31, 2015 and March 31, 2014:

	January 31, 2015	March 31, 2014
	$	$
Trademarks, customer lists and other	**19,860,088**	19,860,088
Less: accumulated amortization	**(3,751,350)**	(2,648,012)
Intangible assets, net	**16,108,738**	17,212,076

Amortization expenses for each period were presented in the accompanying statements of operations. The depreciation policies followed by the Company are described in Note 2F.

6. TRANSACTIONS WITH AFFILIATED COMPANIES

During the periods ended January 31, 2015 and March 31, 2014, vCustomer Services, LLC had inter-company transactions with vCustomer Philippines (Cebu), Inc. (vCustomer Cebu), an affiliated company. The transactions are summarized as follows:

	Ten Months Ended January 31, 2015	Twelve Months Ended March 31, 2014
	$	$
Beginning balance, due (to) from vCustomer Cebu	**(170,039)**	(226,317)
Expense reimbursement - debit/ credit notes	**(2,723,111)**	(3,136,812)
Payments to vCustomer Cebu	**2,998,321**	3,193,090
Ending balance, due (to) from vCustomer Cebu	**105,171**	(170,039)

During the periods ended January 31, 2015 and March 31, 2014, vCustomer Services, LLC had inter-company transactions with vCustomer Philippines, Inc. (vCustomer Philippines), an affiliated company. The transactions are summarized as follows:

	Ten Months Ended January 31, 2015	Twelve Months Ended March 31, 2014
	$	$
Beginning balance, due (to) from vCustomer Philippines	**(258,628)**	(1,306,441)
Expense reimbursement - debit/ credit notes	**(5,741,359)**	(5,493,034)
Payments to vCustomer Philippines	**6,203,755**	6,540,847
Ending balance, due (to) from vCustomer Philippines	**203,768**	(258,628)

During the periods ended January 31, 2015 and March 31, 2014, vCustomer Services, LLC had inter-company transactions with Tech Mahindra (Americas), Inc. (TMA) an affiliated company. The transactions are summarized as follows:

	Ten Months Ended January 31, 2015 $	Twelve Months Ended March 31, 2014 $
Beginning balance, due (to) from TMA	**(590,219)**	-
Expense reimbursement - debit/ credit notes	**(169,738)**	(590,219)
Payments to TMA	**759,957**	-
Ending balance, due (to) from TMA	**-**	(590,219)

During the periods ended January 31, 2015 and March 31, 2014, vCustomer Services, LLC had inter-company transactions with New vC Services Private Limited (vCustomer India) an affiliated company. The transactions are summarized as follows:

	Ten Months Ended January 31, 2015 $	Twelve Months Ended March 31, 2014 $
Beginning balance, due (to) from vCustomer India	**(185,232)**	(461,877)
Expense reimbursement - debit/ credit notes	**(2,951,004)**	(3,237,402)
Payments to vCustomer India	**3,061,182**	3,514,047
Ending balance, due (to) from vCustomer India	**(75,054)**	(185,232)

During the periods ended January 31, 2015 and March 31, 2014, vCustomer Services, LLC had inter-company transactions with Satyam Services De Informatica, LTDA (Satyam Brazil), an affiliated company. The transactions are summarized as follows:

	Ten Months Ended January 31, 2015 $	Twelve Months Ended March 31, 2014 $
Beginning balance, due (to) from Satyam Brazil	**(10,632)**	(11,809)
Expense reimbursement - debit/ credit notes	**(57,240)**	(72,228)
Payments to Satyam Brazil	**63,192**	79,741
Ending balance, due (to) from Satyam Brazil	**(4,680)**	(4,296)

	January 31, 2015 $	March 31, 2014 $
Amounts due to affiliated companies	**(79,734)**	(1,208,414)
Amounts due from affiliated companies	**308,939**	-
	229,205	(1,208,414)

7. INCOME TAXES

Current income tax expense consist of the following:

	Ten Months Ended January 31, 2015 $	Twelve Months Ended March 31, 2014 $
Federal	**1,306,490**	1,199,241
State	**500**	500
Total current income tax expense	**1,306,990**	1,199,741

Deferred income tax expense (benefit) consist of the following:

	Ten Months Ended January 31, 2015	Twelve Months Ended March 31, 2014
	$	$
Federal	**(9,652)**	(6,260)
State	**-**	-
Total deferred income tax expense (benefit)	**(9,652)**	(6,260)
Total current and deferred income tax expense	**1,297,338**	1,193,481

Deferred tax asset consists of the following:

	January 31, 2015	March 31, 2014
	$	$
Federal	**35,049**	25,397
State	**-**	-
Total deferred tax asset	**35,049**	25,397

Generally, nexus that will require the company to file and pay income taxes to a particular state is created if the company has employees, assets or tangible property sales in a particular state. The Company does not have any of the attributes listed above in any of the U.S. states. However, some states, including, but not limited to, California, Colorado and Minnesota follow the economic nexus concept, where, if sales exceed certain thresholds a state tax return must be filed. Management is of the opinion that the Company does not exceed the sales thresholds for the states of California and Colorado. If the taxpayer has not filed a state tax return in a jurisdiction where it has established nexus, then generally, the statute of limitations will never expire.

It is reasonably possible that there could be a change in the amount of the Company's unrecognized tax benefits within the next twelve months due to activities of the IRS or other taxing authorities, including proposed assessments of additional tax, possible settlement of audit issues, or the expiration of applicable statutes of limitations. The range of the possible change in unrecognized tax benefits within the next twelve months cannot be reasonably estimated at January 31, 2015.

In the ordinary course of business, there are many intercompany transactions that affect the calculation and estimation of the Company's tax liability. Although the Company's management believes that their tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's income tax provisions and accruals.

8. MERGER WITH COMPANY RELATED BY COMMON CONROL

The Company and TMA, pursuant to the provisions of the laws of the State of Washington and the provisions of the New Jersey Business Corporation Act, were merged with and into a single corporation. TMA is a surviving corporation upon the effective date of the merger and which continues to exist as said surviving corporation under its present name pursuant to the provisions of the New Jersey Business Corporation Act. The separate existence of the Company ceased on February 2, 2015, the effective date of the merger in accordance with the laws of the jurisdiction of its organization.

The issued Membership certificates of the Company were cancelled on February 2, 2015, the effective date of the merger. The issued shares of the surviving corporation are not converted in any manner but each said share which is issued as of the effective date of the merger continues to represent one issued share of the surviving corporation.

The merger of the Company with and into the surviving corporation has been duly authorized in compliance with the laws of the jurisdiction of organization of the terminating limited liability company and the Plan and Agreement of Merger has been approved by the shareholders entitled to vote of the surviving corporation in the manner prescribed by the provisions of the New Jersey Business Corporation Act.

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through February 20, 2015, the date the financial statements were available to be issued. As disclosed in Note 8, effective February 2, 2015, the Company has merged with TMA and all transactions and events subsequent to that date have been included in the financial statements of the surviving entity, which is TMA. The Company has ceased to exist following the financial statements date.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES

	Ten Months Ended January 31, 2015 $	Twelve Months Ended March 31, 2014 $
Schedule I		
REVENUE		
Revenue	**17,436,977**	17,770,860
	17,436,977	17,770,860
Schedule II		
COST OF SERVICES		
Contracted services	**12,126,438**	12,522,362
Reimbursable expenses	**3,632**	6,622
	12,130,070	12,528,984
Schedule III		
GENERAL AND ADMINISTRATIVE		
Communications	**231,180**	260,701
Software charges	**67,149**	81,638
Professional fees	**24,958**	20,242
Taxes and licenses	**18,851**	17,271
Miscellaneous	**1,012**	1,380
Rent	**990**	1,189
Bank charges	**726**	490
	344,866	382,911

SATYAM VENTURE ENGINEERING SERVICES PVT. LTD.

Board of Directors

Mr. C. P. Gurnani - Director

Mr. Sujit Baksi - Director

Mr. Shivanand Raja - Director

Mr. Karthikeyan Natarajan - Director

Mr. Jayaraman Ganapathy - Director

Mr. V. Venkata Kumar Raju - Director

Mr. Venkateswarlu Jonnalagadda - Additional Director

Mr. Subramanyam Reddy Chelikam - Additional Director

Registered Office :

1-8-301-306, 3rd Floor,
Ashoka MyHome Chambers,
S. P Road, Secunderabad- 500 003.
Telangana, INDIA

Bankers

ICICI Bank Limited

HSBC Bank Limited

Auditors

M/s. M. Bhaskara Rao & Co.,

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure of presenting the Fifteenth Annual Report, together with audited accounts of the Company, for the year ended March 31, 2015.

Financial Highlights **INR in Million**

Particulars	**2014-15**	2013-14
Income	**2,144.42**	1,836.69
Other Income	**27.53**	98.98
Total Income	**2,171.95**	1,935.67
Operating Profit (EBIDT)	**279.89**	383.30
Operating Margin	**13%**	21%
Depreciation	**33.16**	24.62
EBT	**249.06**	407.88
Net Income (PAT)	**72.10**	126.31
Current Tax	**93.02**	159.70
Tax relating to earlier years	**90.01**	124.32
Deferred Tax	**6.07**	(2.45)
Cash & Cash Equivalents	**110.91**	112.59
Long Term Debt	**-**	-
Capital Expenditure	**70.80**	37.71

Business Overview

Satven signed multiple new accounts in the FY 2014-15. With the improvement in Automotive Industry in markets such as US and Japan, and with the sustained marketing and delivery efforts, Satven managed an impressive growth of 16% in 2014-15. Satven has successfully retained key customers, renewed contracts and acquired new businesses. On the strength of our delivery services, we have expanded the size of existing engagements with our key customers. Satven conducted Customer Satisfaction (CSAT) survey and obtained good scores.

Satven offers innovative services that deliver measurable business value to its customers. We help our clients focus on their core competencies and cut costs, thereby improving their efficiency levels and profitability enabling them to be more competitive in their respective markets.

As the demand for value add services grow, Satven successfully entered new areas such as manufacturing engineering, multi-body dynamics, and others which have good growth potential in the future.

Satven has expanded its sales network across North America, Europe, China, Japan & UK.

Highlights

Recertification audit was conducted by Bureau Veritas which issued renewal certificates for ISO 9001:2008 & ISO 27001:2005, valid up to December 2017.

Satven trained about 1000 associates globally on ISMS, Social Media and CEBC awareness.

Network and Data Security audit was conducted by LUCIDEUS (external audit agency) and various recommendations were implemented.

Employee attrition during the year under review was 7%.

Few senior leaders involved in Information Management attended the CIO Summit 2014 (Keeping Pace with IT Security and Compliance) conducted by CII on 5th December 2014 in Chennai.

Anti-Sexual Harassment policy was implemented. Redressal committee was formed with an eminent person as a member and quarterly review meetings are being held.

Rewards & Recognitions

Satven was honoured with **Best Service Exporter (Medium) at ECGC- D&B Indian Exporters Excellence Awards** in March 2015.

Satven was also honoured with "**Excellence Award**" and Mr. Rao S. Vadlamudi, CEO was awarded the "**Udyog Ratan Award**" by the "Institute of Economic Studies", Delhi in March 2015

Inauguration of YC-Satven Automotive Engineering Centre (Jiading, Shanghai, China).

Satven has inaugurated its first engineering centre in Shanghai, China. This centre has been established in collaboration with Shanghai Jiading Advanced Technology Innovation & Business Incubator – a quasi-government organization promoting foreign technology companies entry into China. Jiading Govt. provided Satven the space at no cost to Satven. The inauguration was attended by Mr. Jia, Dy. Director, Jiading Incubation Centre, and Ms. Lu Feng, Dy. Director, Jiading District of Shanghai Science and Technology Commission, Shanghai and a host of government officials.

Speaking on the occasion, Mr. Jia mentioned about the huge potential of automotive market in China in general and Jiading in particular. He expressed his happiness to see Satven's initiative. Mr. Jia mentioned about SATVEN's capabilities and expertise in providing high end solutions in automotive domain and promised to promote the centre and its solutions through the automotive companies in Jiading.

Marketing & Communication

Satven sponsored various industry forums (such as SAE forum in the US, Automotive Styling Conference in India among others) to increase its visibility in the Industry. Satven also participated in several conferences in India, Germany, Japan and the US to communicate with the prospects and customers.

Future Prospects

Satven is identifying newer niche areas such as analytical benchmarking, quality engineering, and expanding the foot print in manufacturing and other newer service offerings. Entry strategies into new geographies such as Mexico offer long term sustenance in the growth. Satven's investment in people and training will help continue unique positioning in the automotive industry.

Auditors

M/s. M. Bhaskara Rao & Co, Chartered Accountants, Hyderabad were appointed statutory auditors of the Company for a period of five (5) years from the conclusion of 14th AGM held on 22nd September, 2014, subject to ratification in every Annual General Meeting of the Company, on such remuneration as may be determined by the Board of Directors. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for continuing in the office of auditors for 2015-16. The Board recommends ratification of the appointment of auditors for 2015-16.

Auditor's Report

Explanations for the Matters of Emphasis made in the Auditors Report in paragraphs (a) and (b) are given in Notes 23.2 and 25 respectively, to financial statements.

Fixed Deposits

Your Company has not accepted any deposits.

Dividends

No dividend was recommended by the Board of Directors for the FY 2014-15.

Directors

The Board of Directors upon the recommendation of the Nomination & Remuneration Committee and pursuant to the provisions of Section 161 of the Companies Act 2013, appointed Mr. Venkateswarlu Jonnalagadda and Mr. Subramanyam Reddy Chelikam as Additional Directors of the company in the category of Independent Directors with effect from March 23, 2015. The said directors will be appointed as Independent Directors under the Companies Act, 2013 for a period of 5 years at the ensuing Annual General Meeting.

The Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Pursuant to the provisions of Section 152(6) (c) of the Companies Act 2013, Mr. Jayaraman Ganapathy & Mr. Shivanand Raja, Directors are liable to retire by rotation and being eligible, offer themselves for reappointment.

Meetings of the Board

The Company prepares a calendar of meetings of the Board in advance so as to allow the Directors to block their calendars.

The Company held a minimum of one board meeting in every quarter. During the year ended 31st March, 2015 five Board Meetings were held on, April 18th, 2014, July 21st, 2014, October 20th, 2014, December 15th, 2014 & January 19th, 2015. The intervening gap between the meetings was as prescribed under the Companies Act, 2013.

Committees of the Board

Audit Committee

The Audit Committee comprise of following directors:

Mr. Venkateswarlu Jonnalagadda

Mr. Subramanyam Reddy Chelikam

Mr. V Venkata Kumar Raju

Nomination and Remuneration Committee

Nomination and Remuneration Committee comprise of following directors:

Mr. Sujit Baksi

Mr. Shivanand Raja

Mr. Venkateswarlu Jonnalagadda

Mr. Subramanyam Reddy Chelikam

Corporate Social Responsibility Committee

Corporate Social Responsibility Committee comprise of following directors:

Mr. Sujit Baksi

Mr. Shivanand Raja

Mr. Jayaraman Ganapathy

Mr. Venkateswarlu Jonnalagadda

Key Managerial Personnel

Section 203 of the Companies Act, 2013 for appointment of Key Managerial Personnel is not applicable.

Internal auditor

The Company has appointed M/s. J V Srinivas & Co. as Internal auditor of the company for the FY 2015-16 to carry out the Internal audit services.

Board Evaluation

Pursuant to the provisions of Sec 178 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, the Board has carried out an annual performance for the FY 2014-15 of the directors individually.

Remuneration Policy

The Board upon the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The extract of the Remuneration Policy is stated in the **Annexure 'B'**

Corporate Social Responsibility (CSR)

Pursuant to the guidelines prescribed under section 135 of the Companies Act 2013, your Board has formed a Committee namely

Corporate Social Responsibility (CSR) Committee on March 27, 2014. Subsequently the CSR Policy as recommended by the CSR Committee was approved by your Board.

The details of CSR activities undertaken during the year and the policy is annexed herewith as **Annexure 'C'.**

Related party transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions for the period under review are placed before the Audit Committee and the Board for its approval. Pursuant to clause (h) of subsection (3) of Sec 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form AOC 2 is annexed to this report as Annexure D.

Risk Management

The Company's risk management is forming part of the risk management framework adopted by the Holding Company, wherein the elements of risks are over viewed for the organization as a whole including its subsidiaries.

Whistle Blower Mechanism

Whistle Blower mechanism is forming part of the Company's Code of Ethical Business Conduct Policy which is applicable to all its subsidiaries & Branches. The policy sets out ways through which the stakeholders can raise concerns that relate to actual or suspected violations to the Corporate Ombudsman office.

Secretarial Audit

Secretarial Audit pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable.

Sustainability

The Company has taken several initiatives to support the Green Initiative and can be summarized as follows:

- Automated Invoice Processing, thus reducing the paper usage from the process, while increasing the audit control.
- Automated payment reimbursement to associates & vendors.

Anti-Sexual Harassment Policy

As for protection against sexual harassment, the Company has Anti sexual harassment policy in which it formalized a free and fair enquiry process with clear timeline. Also the company has formed an internal Redressal committee to which employees can write their complaints. During the year under review, the company has not received any such complaints in this regard and no cases were filed pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure 'E'.**

Particulars of Employment

Particulars of employees as required to be furnished under section 197 (12) of the Companies Act, 2013, read with the Companies (Remuneration of Managerial Personnel) Rules 5, 2013 forms part of this report as enclosed in **Annexure 'F'.**

Form of Statement containing salient features of financial statements of subsidiaries

The statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures under the first proviso to sub-section (3) of section 129 in Form AOC-1 is annexed herewith as **Annexure 'G'**

Details of Subsidiaries:

During the year under review, Company has incorporated a subsidiary, Satven GmbH at Germany on 18th August, 2014.

Particulars of loans, guarantees or investments under Section 186:

Company did not provide/give any loans, guarantees or investments under Section 186.

Conservation of Energy, Technology Absorption and Foreign Exchange

The particulars prescribed as per Sec 134 (3) (m) of Companies Act 2013 read with Companies (Accounts) Rules 2014 made thereunder Rule 8.

A. Conservation of Energy:

Your Company uses electrical energy for its equipment such as air-conditioners, computer terminals, lighting and utilities at work places. As an on -going process, the Company continued to undertake the following measures to conserve energy:

- Incorporating new technologies in the air conditioning system in the upcoming facilities, to optimize power consumption
- Identification and replacement of low efficient machinery (AC)
- Identification and replacement of outdated and low efficient UPS systems
- Conducting continuous conservation awareness and training sessions for operational personnel
- Periodical maintenance of all the equipment and Machinery.

B. Research and Development: The Company has not undertaken any R&D activity in any specific area during the year under review, and hence no cost has been incurred towards the same.

C. Technology Absorption: The Company has continued its endeavor to adopt technologies for its product range to meet the requirements of a globally competitive market. All Company products are compliant with the prevalent regulatory norms. Company also develops the technology which is registered as patents by the Customers and the Company. The Company also participates in various global automotive forums to acquaint with the latest trends in the technology areas.

D. Foreign Exchange Earnings and outgo

		March 31, 2015	March 31, 2014
I)	Foreign Exchange Earning	**2,118.99**	1,806.78
II)	Foreign Exchange outgo	**937.98**	786.77

Directors' Responsibility Statement

As required by the provisions of Section 134 of the Companies Act, 2013, Directors' Responsibility Statement is attached as **Annexure 'A'.**

Acknowledgement

Your Directors take this opportunity to place on record the valuable contribution and support received from the customers, members, banks, suppliers, partners, and associates of the Company.

For and on behalf of the Board of Directors

C. P. Gurnani
Chairman

Place : Hyderabad
Date : June 9, 2015

Annexure 'A'

Directors' Responsibility Statement

To the Members,

We, the Directors of Satyam Venture Engineering Services Private Limited, confirm the following:

i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. That the directors had prepared the annual accounts on a going concern basis.

v. The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board of Directors

Place: Hyderabad **C. P. Gurnani**

Date: June 9, 2015 Chairman

Annexure B

Extract of Nomination and Remuneration Committee Policy

1. OBJECTIVE

In compliance with the provisions of Section 178 of Companies Act 2013, following policies are formalized:

1.1 Policy on appointment and removal of Directors, and Senior Management;

1.2 Policy on Remuneration to the Directors, Senior Management and other Employees

1.3 Policy on Evaluation of performance of the Board of Directors, Committees and individual Directors,

2. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means the **Satyam Venture Engineering Services Private Limited.**

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in Senior Management Team of the Company.

"HR' means the Human Resource department of the Company.

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“Senior Management”

The expression ‘‘senior management’’ means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

3. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, AND SENIOR MANAGEMENT

3.1 Directors

- The NRC determines the criteria for appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of individual Board member, the NRC will take into account multiple factors, including general understanding of the business, education, professional background, personal achievements, professional ethics and integrity.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made there under.

3.2 Senior Management personnel

- The NRC based on the business need and the suitability of the candidate, either on suo motto or upon the proposal of CEO supported by HR, will consider and recommend the appointment or removal of the Senior Management personnel to the Board of Directors. Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate Senior Management Personnel.
- The details of the appointment made and the personnel removed / relieved during a quarter shall be presented to the Board by CEO as part of update during their quarterly meetings.

3.3 Removal of Board of Directors

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non-adherence to the applicable policies of the company, the NRC may recommend to the Board, removal of a Director subject to the compliance of the applicable statutory provisions.

4. REMUNERATION TO DIRECTORS, & SENIOR MANAGEMENT PERSONNEL :

4.1 Directors:

The sitting fee for the Board and Committee meetings will be recommended by NRC to the Board.

The members on the Board, who has been nominated by the Holding Company, will not be paid any sitting fee for the Board and Committee meetings.

However, if necessary, NRC may recommend to the Board for such payments to any of the directors.

4.2 Remuneration to Senior Management personnel

- The NRC either on the recommendation of CEO supported by HR or suo motto on its own, may consider the profiles for the positions of senior management personnel to fix the remuneration. The Company follows an extensive performance management system to review the performance of the Senior Management and provide rewards on the basis of meritocracy.
- The CEO shall make a presentation to the NRC on the proposed annual increments based on the performance of the company, general trends in the Industry etc. the annual performance appraisal process of the employees conducted by the Human Resources department, during the financial year. Eligible employees will be rewarded with the annual increment. Before taking the proposal to the NRC, the CEO shall obtain the approval of Chairman.
- However, if any internal candidate is nominated by Holding Company from their rolls for any of these positions, the remuneration for such candidate(s) will be fixed by the holding company.

Annexure 'C'

Report on CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Company's CSR Policy is stated herein below.
2. Composition of the CSR Committee:

   Mr. Sujit Baksi - Director

   Mr. Shivanand Raja - Director

   Mr. Jayaraman Ganapathy - Director

   Mr. Venkateswarlu Jonnalagadda - Independent Director
3. Average net Profit of the Company for the last three financial years: ₹ 338,067,269
4. Prescribed CSR Expenditure (two percent of the amount as an item 3 above ₹ 6,761,345
5. Details of CSR spend for the financial year:
   a) Total amount spent for the financial year: ₹ 6,761,345
   b) Amount unspent, if any : NIL

INR

S. no	Projects NGO Partner	Sector	Location	Amount Outlay (Budget-program wise)	Amount Spent on the project	Cumulative expenditure upto reporting period	Amount Spent or through implementing agency
1	Aseema- PCMS Project 1) Children successfully participated in the Inter-School BMC Athletics where they secured ten gold, six silver and nine bronze medals. - 2) Students also participated in the Divisional BMC Athletics competition where they secured five gold medals. No. of beneficiaries-585	Education	Mumbai	23,00,303	23,00,303	23,00,303	Tech Mahindra Foundation
2	Aseema- KMS Project 1) 238 children have been enrolled and are learning through an activity based learning approach. 2) Students participated in the Divisional BMC Athletics competition where they secured four gold medals, one silver and one bronze medal. No. of beneficiaries-238	Education	Mumbai	17,91,042	17,91,042	17,91,042	Tech Mahindra Foundation

INR

S. no	Projects NGO Partner	Sector	Location	Amount Outlay (Budget-program wise)	Amount Spent on the project	Cumulative expenditure upto reporting period	Amount Spent or through implementing agency
3	EDUCO- 1) EDUCO students won four medals in athletics at 'Malabar Hill Mahotsav" held in Mumbai from May 9th to June 8th, 2014. 2) Five EDUCO students were selected in the Mumbai Langadi team. No. of beneficiaries-423	Education	Mumbai	26,70,000	26,70,000	26,70,000	Tech Mahindra Foundation

For and on behalf of the Board of Directors

Place: Hyderabad
Date: June 9, 2015

C. P. Gurnani
Chairman

CSR policy (Approved by the board of directors on July 21, 2014)

Corporate Social Responsibility Policy & Vision Document

Abstract:

The document outlines the Vision and Policy of Satyam Venture Engineering Services Private Limited (SATVEN) towards Corporate Social Responsibility, in accordance with Section 135 of the Companies Act 2013 and the Rules thereunder.

Introduction

Satyam Venture Engineering Services Private Limited is a high-end Automotive Engineering Solutions provider offering services ranging from Design Engineering, CAE & CFD Simulation, Process Engineering, Reverse Engineering, Product Data Management (PDM), Knowledge Based Engineering and Software Customization. With sales and marketing offices located in United States, Germany, Japan and China, SATVEN is a preferred solutions provider for several top global automotive OEMs and Suppliers.

Satyam Venture Engineering Services Pvt. Ltd. is a Joint Venture Company between erstwhile Satyam Computer Services Ltd., now Tech Mahindra Limited and Venture Global Engineering LLC. SATVEN has been a socially responsible company and has been contributing for CSR activities through its employees to benefit the socially & economically disadvantaged communities.

Vision

The CSR vision of SATVEN is **"Community development through Education."**

For SATVEN, Corporate Social Responsibility means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. It entails having business policies that are ethical, equitable, environmentally conscious, gender sensitive and sensitive towards the differently abled.

SATVEN shall implement this primarily through Tech Mahindra Foundation (TMF) (Section 25 Company set up under the Companies Act 1956).

- TMF, through vibrant and innovative partnerships with the government, NGOs, CBO's and other organisations, will promote quality education and employability for vulnerable sections of the society.

Objectives

The objectives of this Policy are to:-

- Demonstrate commitment to the common good through responsible business practices and good governance.
- Actively support and be part of the state's development agenda to ensure sustainable change.
- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.
- Engender a sense of empathy and equity among employees of SATVEN to motivate them to give back to the society.

Applicability and Commencement

1. Satyam Venture Engineering Services Pvt. Ltd's (hereinafter referred to as the Company) CSR Policy has been developed in consonance to Section 135 of the Companies Act 2013 (referred to as the Act in this Policy) on CSR and in accordance with the CSR Rules (hereinafter referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014.
2. The Policy shall apply to all CSR Projects/Programmes undertaken by the Company in India as per Schedule VII of the Companies Act, 2013.
3. This Policy shall be applicable to SATVEN with effect from 1st April, 2014.

Budget

CSR Committee will recommend the annual budgeted expenditure to the Board for its consideration and approval.

Focus Areas

SATVEN will implement its CSR activities in accordance with Section 135 of the Companies Act 2013 and the Rules notified thereunder.

CSR focus area for SATVEN shall be primarily promotion of Education. Within this broad theme specific areas such as school education, education for employment and technical education are included. Persons with disability and Women's Empowerment are cross-cutting themes in these focused areas. The interventions in these thematic areas will be prioritized to reach the underserved segments of the population like women, economically and geographically disadvantaged and vulnerable and marginalized population.

Implementation

The Company's CSR Programmes will be identified and implemented according to the Board's approved CSR Policy. This CSR Policy builds on the learnings from and good practices of the Company's ongoing CSR activities. The CSR Policy would have its monitoring and evaluation mechanism so as to ensure every programme has:

I. clearly defined objectives (developed out of existing societal needs determined through baselines/studies/research), targets and time lines.

II. a robust progress monitoring system

III. impact assessments

IV. a reporting framework and system in alignment with the Act and Rules.

The Company will implement its CSR Programs primarily through Tech Mahindra Foundation (TMF) (Section 25 Company set up under the Companies Act 1956).

Roles and Responsibilities

Board

The Board of SATVEN would be responsible for:

- approving the CSR Policy as formulated by the CSR Committee
- ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation excluding profits arising from Overseas Branches made during the three immediate preceding financial years.
- ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively and monitored regularly.
- disclosing in its Annual Report the composition of CSR Committee, details of CSR spent during the year and such other information in the format prescribed under the Companies (Corporate Social Responsibilty Policy) Rules 2014.

CSR Committee

I. Composition of the CSR Committee: The Committee will consist of three or more Directors.

II. The CSR Committee of the Company would be responsible for:

  - formulating the CSR Policy in accordance with the Section 135 of the Companies Act, 2013.
  - identifying activities to be undertaken as per Schedule VII of the Companies Act, 2013.
  - recommending to Board the CSR expenditure to be incurred.
  - recommending to Board, modifications/amendments to the CSR Policy as and when required.
  - regularly monitoring the implementation of the CSR Policy/Programmes.

III. The Company Secretary will act as Secretary to the Committee and assist the committee in discharge of its functions.

Monitoring and Reporting Framework

SATVEN's CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the activities done by TMF. The Committee would, in turn, recommend this to the SATVEN Board for its final approval.

In compliance with the Companies Act, 2013 and to ensure the funds spent on CSR programs are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework would be put in place. The Monitoring and Reporting mechanism is divided into three distinct areas:

I. Programme Monitoring

II. Evaluation

III. Reporting and Documentation

Programme Monitoring

I. Programme monitoring mechanism will ensure:

- the CSR Policy is implemented in accordance with the provisions of the Companies Act, 2013 and its Rules.
- The CSR Policy is implemented ensuring that all projects / programs as budgeted are duly carried out.

II. CSR spends would be closely monitored and funds shall be released against verified utilizations as per the approved work plans.

III. CSR spends would be subject to audit.

IV. Quarterly Report and Review by the CSR Committee and half yearly reviews by the Board.

MIS monitoring mechanism and evaluation plan will be put in place.

V. Expected outcomes would be clearly defined for each programme as per stated time lines.

Documentation and Reporting

The CSR Committee will ensure preparation of the annual CSR Report for inclusion in the Board's Report. This report will be in compliance to the prescribed format given under the Companies (Corporate Social responsibility Policy) Rules 2014.

Annexure 'D'

FORM AOC 2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

   There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2015, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis are as follows:

   (a) Name(s) of the related party and nature of relationship

   Holding Company - Tech Mahindra Limited

   Subsidiaries of Holding Company–

   - Tech Mahindra Technologies Inc, USA.
   - Tech Mahindra GmbH, Germany
   - Tech Mahindra Foundation, India (Sec 8 Company)

   Subsidiaries-

   - Satyam Venture Engineering Services (Shanghai) Co. Ltd, China
   - Satven GmbH, Germany

   Associate Companies- (Group Companies of Venture Global Engineering LLC)

   - Venture Otto South Africa (Prop) Ltd
   - Venture Auto Design(Shanghai) Co. Ltd

   (b) Nature of contracts/arrangements/transactions: Providing IT enabled Engineering Services & contribution towards CSR

   (c) Duration of the contracts / arrangements/transactions: Varies from 1 to 3 years and arrangement is through Master Service Agreements and Purchase orders.

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

INR in Million

Description	**Transactions during the year ended March 31, 2015**					Transactions during the year Ended March 31, 2014				
	Holding Company	**Subsidiaries Company**	**Associate Company**	**Subsidiaries of Holding Company**	**Key Management Personnel**	**Holding Company**	**Subsidiaries Company**	**Associate Company**	**Subsidiaries of Holding Company**	**Key Management Personnel**
Sales / Services rendered to	**97.33**	**13.23**	**1.89**	**615.02**	**-**	104.86	-	-	434.39	-
Remuneration	**-**		**-**	**-**	**0.39**	-		-	-	7.89
Advances from / (to)	**-**		**-**	**-**	**-**	-		-	-	-
Services received / Purchases #	**15.37**	**4.00**	**-**	**64.43**	**-**	31.24	1.82		9.70	-
CSR Expenses	**-**		**-**	**6.76**	**-**	-		-	-	-

(e) Date(s) of approval by the Board, if any: 21st July, 2014, 20th October, 2014, 15th December, 2014 & 19th January, 2015

(f) Amount paid as advances, if any: NA

\# Reimbursement of Salary Cost & Other Expenditure

For and on behalf of the Board of Directors

Place: Hyderabad
Date: June 9, 2015

C. P. Gurnani
Chairman

Annexure 'E'

Extract of Annual Return

As on the financial year ended 31.03.2015

[Pursuant to section 92(3) of the companies act, 2013, and rule 12(1) of the Companies (Management and Administration) rules, 2014]

Form no. MGT – 9

I REGISTRATION AND OTHER DETAILS:

i) CIN:- U72200AP2000PTC033213

ii) Registration Date: 03/01/2000

iii) Name of the Company: SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED

iv) Category / Sub-Category of the Company: Company limited by Shares/ Indian Non-Government Company

v) Address of the registered office and contact details: 1-8-301-306, 3rd Floor, Ashoka MyHome Chambers, S. P Road, Secunderabad- 500 003, Telangana, INDIA

vi) Whether listed company: No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / Services	NIC Code of the Product/ service	% to total % to total turnover of the company
1	IT Enabled Engineering Services	62099	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. N0	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Tech Mahindra Limited	L64200MH1986PLC041370	Holding	50%	2(46)
2	Satyam Venture Engineering Services (Shanghai) Co. Ltd.	-	Subsidiary	100%	2(87)
3	Satven GmbH	-	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category- wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual/ HUF									
h) Central Govt									
i) State Govt (s)									
j) Bodies Corp.	NIL	35,44,480	35,44,480	50	NIL	35,44,480	35,44,480	50	NIL
k) Banks / FI									
l) Any Other....									
Sub-total									
(A) (1):-									
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....	NIL	35,44,480	35,44,480	50	NIL	35,44,480	35,44,480	50	NIL
Sub-total									
(A) (2):-									
Total shareholding of Promoter									
(A) = (A)(1)+(A)(2)									
B. Public Shareholding									
1 Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total									
(B)(1):-									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Individual shareholders holding nominal share capital in excess ₹ 1 lakh									
c) Others (specify)									
Sub-total									
(B)(2):-									
Total Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	**NIL**	**70,88,960**	**70,88,960**	**100**	**NIL**	**70,88,960**	**70,88,960**	**100**	**NIL**

(ii) Shareholding of Promoters

Sl no	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year		
		No. of shares	% of total shares of the company	%of shares pledged/shares encumbered to total shares	No. of shares	% of total shares of the company	%of shares pledged/ shares encumbered to total shares
1	Tech Mahindra Limited	35,44,480	50	NA	35,44,480	50	NA
2	Venture Global Engineering LLC	35,44,480	50	NA	35,44,480	50	NA
Total		**70,88,960**	**100%**		**70,88,960**	**100%**	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment /transfer / bonus/sweat equity etc.):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment /transfer /bonus/sweat equity etc.):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment /transfer /bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the End of the year	NA	NA	NA	NA

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured	Deposits Loans	Total Indebtedness	
Indebtedness at the					
beginning of the financial					
year					NIL
i) Principal Amount	NIL	NIL			
ii) Interest due but not paid					
iii) Interest accrued but not due					
Total (i+ii+iii)	NIL	NIL			NIL
Change in Indebtedness					
during the financial year	NIL				NIL
• Addition		NIL			
• Reduction					
Net Change	NIL	NIL			NIL
Indebtedness at the					
end of the financial year					
i) Principal Amount	NIL	NIL			NIL
ii) Interest due but not paid					
iii) Interest accrued but not					
due					
Total (i+ii+iii)	NIL	NIL			NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Mr. Rao S. Vadlamudi resigned as a Manager on 18th April, 2014.

INR

Sl. no.	Particulars of Remuneration	Name of MD/ WTD/Manager: Rao S. Vadlamudi (Manager)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	3,94,310	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit		-
	- others, specify…	-	
5	Others, please specify	-	-
	Total (A)	3,94,310	-
	Ceiling as per the Act	36,05,077	-

B. Remuneration to other directors: All the Directors except the Independent Directors are employees of the holding company and was nominated them on the subsidiary Board.

J.Venkateswarlu and Chelikam Subramanyam Reddy are appointed as independent directors and there was no fee paid during the year under review.

Sl. no.	Particulars of Remuneration	Non- Executive Directors						Independent Directors		Total Amount
		C P Gurnani	Sujit Baksi	Shivanand Raja	Jayaraman Ganapathy	V Venkata Kumar Raju	Karthikeyan Natarajan	Chelikam Subramanyam Reddy	J. Venkateswarlu	
1	Independent Directors Fee for attending board / committee meetings Commission· Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-	-	-
2	Other Non-Executive Fee for attending board / committee meetings Commission Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key managerial Personnel			Total Amount
		Whole time Director	Company secretary	CFO	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission			-	-
	- as % of profit	-	-	-	-
	- Others, specify…				
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	-

.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Annexure 'F'

Report u/s. 197(12)

Particulars of Employees forming part of the Directors' Report for the year ended March 31, 2015. Information pursuant to section 197 (12) of the Companies Act, 2013, read with the Companies (Remuneration of Managerial Personnel) Rules 5, 2013.

Sl No.	Employee Name	Designation	Remuneration	Qualification	Date of Joining	Experience	Age	Previous employment
1	Vadlamudi Srinivas Rao	CEO	₹ 83,00,000/-	MS CAD/CAM	1.02.2000	23	48	Venture Industries

Annexure 'G'

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1. Sl. No. 1
2. Name of the subsidiary: Satven GmbH
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: Same as Holding Company
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. EURO (67.2010)
5. Share capital: ₹ **1,680,025**

6. Reserves & surplus: ₹ **49,598**
7. Total assets: ₹ **3,433,953**
8. Total Liabilities: ₹ **1,704,330**
9. Investments: **NIL**
10. Turnover: ₹ **4,002,033**
11. Profit before taxation: ₹ **88,227**
12. Provision for taxation: ₹ **31,010**
13. Profit after taxation: ₹ **57,217**
14. Proposed Dividend: **NIL**
15. % of shareholding: **100%**

1. Sl. No. **2**
2. Name of the subsidiary: Satyam-Venture Engineering Services (Shanghai) Co., Ltd.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: **January 1st to December 31st**
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. **CNY (10.0798)**
5. Share capital: ₹ **10,018,440**
6. Reserves & surplus: ₹ **28,44,514**
7. Total assets: ₹ **32,893,783**
8. Total Liabilities: ₹ **20,030,829**
9. Investments: **NIL**
10. Turnover: ₹ **43,149,141**
11. Profit before taxation: ₹ **7,626,122**
12. Provision for taxation: ₹ **573,801**
13. Profit after taxation: ₹ **7,052,320**
14. Proposed Dividend: **NIL**
15. % of shareholding: **100%**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	**Name 1**	**Name 2**	**Name 3**
1. Latest audited Balance Sheet Date	-	-	-
2. Shares of Associate/Joint Ventures held by the company on the year end	-	-	-
No. of shares	-	-	-
Amount of Investment in Associates/Joint Venture	-	-	-
Extend of Holding %	-	-	-
3. Description of how there is significant influence	-	-	-
4. Reason why the associate/joint venture is not consolidated	-	-	-
6. Networth attributable to Shareholding as per latest audited Balance Sheet	-	-	-
7. Profit / Loss for the year	-	-	-
i. Considered in Consolidation	-	-	-
ii. Not Considered in Consolidation	-	-	-

1. Names of associates or joint ventures which are yet to commence operations. **NIL**
2. Names of associates or joint ventures which have been liquidated or sold during the year. **NIL**

Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

INDEPENDENT AUDITORS' REPORT

To

The Members of
Satyam Venture Engineering Services Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Satyam Venture Engineering Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following notes in the financial statements:

a) Note 23.2 regarding reckoning of ₹ 528,870,000/- as contingent liability, towards any possible charge that may arise in respect of ongoing dispute between the promoters, for the period from April 01, 2012 to March 31, 2015 based on legal advice and for reasons stated in the said note notwithstanding the status of litigation between the promoters on various issues relating to the Shareholders Agreement, the outcome of which is not determinable at this stage.

b) Note 25 regarding drawing up of accounts for the year incorporating opening balances based on the financial statements of previous years which have not been adopted by the shareholders.

Our opinion is not modified in respect of this matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with in the Report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. The matter relating to contingent liability described in paragraph (a) under the Emphasis of Matters above, in our opinion, may have an adverse effect on the functioning of the Company.

   f. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

      i. The Company has disclose the impact of all pending litigations on its financial position in its financial statements - Refer Note 23 to the financial statements;

      ii. No provisioning is required under any law or accounting standards, for material foreseeable losses on long term contracts except for the contingent liability described under note 23.2 for which provision is not made since the matters involving these litigations are sub-judice at present, the impact of these pending litigations on its financial position could not be stated in the Financial Statements. Further, according to the information and explanations given to us and in our opinion, there were no derivative contracts entered into by the Company as at March 31, 2015.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No.000459S

M.V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, April 21, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Satyam Venture Engineering Services Private Limited)

(i) In respect of its Fixed Assets:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) According to the information and explanations given to us, the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of their assets, The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(ii) The Company is a service company, primarily rendering engineering services. It did not deal in any inventory during the year and accordingly requirements of paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, no loans, secured or unsecured were granted to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and accordingly paragraph 3(iii) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased / services availed are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of section 73 to 76 of the Companies Act 2013 apply. Accordingly paragraph 3(v) of the Order is not applicable to the Company.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) (d) of the Companies Act, 2013 for the Company.

(vii) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, sales-tax, wealth tax, service tax, custom duty, value added tax, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year. The provisions of Employees' State Insurance and Excise Duty are not applicable to at present.

(b) There were no undisputed amounts payable in respect of, income tax, provident fund, sales tax, wealth tax, service tax, customs duty, value added tax and cess which were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-Tax which have not been deposited as on March 31, 2015 on account of disputes are given below:

Statute	**Nature of dues**	**Forum where dispute is pending**	**Period to which the amount relates**	**Amount involved (In ₹)**
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2001-02 to 2009-10	72,023,732

(d) The Company does not have any amounts to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

(viii) The Company does not have accumulated losses as at March 31, 2015 and has not incurred cash losses during the financial covered by our audit and the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Company does not have any borrowings; accordingly the paragraph 3(ix) of the Order is not applicable to the Company.

(x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions; accordingly, provisions of paragraph 3(x) of the Order is not applicable.

(xi) The Company has not obtained any term loans during the year; accordingly, provisions of paragraph 3(xi) of the Order is not applicable.

(xii) During the course of our examination of the books and other records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instance of fraud on or by the Company was reported during the year, nor have we been informed of such case by the management.

for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No.000459S

M.V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, April 21, 2015

BALANCE SHEET AS AT MARCH 31, 2015

(in ₹)

	Note		As at March 31, 2015		As at March 31, 2014
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	**70,889,600**		70,889,600	
Reserves and Surplus	4	**636,314,632**		564,119,979	
			707,204,232		635,009,579
Non Current Liabilities					
Long Term Provisions	5		**61,591,057**		41,798,559
Current Liabilities					
Trade Payables	6	**133,346,182**		124,513,956	
Other Current Liabilities	7	**27,268,910**		8,295,009	
Short Term Provisions	8	**626,318,316**		619,869,508	
			786,933,408		752,678,473
Total			**1,555,728,697**		1,429,486,611
ASSETS					
Non Current Assets					
Fixed Assets	9				
Tangible Assets		**32,940,582**		18,348,759	
Intangible Assets		**42,652,291**		19,618,104	
Capital Work in Progress		**1,230,988**		266,879	
Non Current Investments	10	**11,435,736**		9,416,611	
Deferred Tax Asset	11	**75,490,000**		69,420,000	
Long Term Loans and Advances	12	**221,801,207**		181,380,117	
Other Non Current Assets	13	**20,000,000**		20,027,587	
			405,550,804		318,478,057
Current Assets					
Trade Receivables	14	**522,941,157**		491,359,164	
Cash and Bank Balances	15	**350,467,645**		382,447,405	
Short Term Loans and Advances	16	**187,792,240**		162,542,303	
Other Current Assets	17	**88,976,851**		74,659,682	
			1,150,177,893		1,111,008,554
Total			**1,555,728,697**		1,429,486,611
Corporate Information and Significant accounting policies	1 & 2				

Accompanying notes form an integral part of the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, April 21, 2015

for and on behalf of the board

G Jayaraman
Director

V Venkata Kumar Raju
Director

Shivanand Raja
Director

J Venkateswarlu
Director

C Subramanyam Reddy
Director

Rao S Vadlamudi
C.E.O.

Srinivas R
AVP-Finance

Aradhana R
Company Sercretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(in ₹)

	Note		Year ended March 31, 2015		Year ended March 31, 2014
Revenue					
Revenue from operations	18	**2,144,419,291**		1,836,688,756	
Other Income	19	**27,532,752**		98,976,807	
Total			**2,171,952,043**		1,935,665,563
Expenses					
Employee Benefits Expense	20	**1,471,266,316**		1,141,346,247	
Depreciation and Amortization Expense	9	**33,156,122**		24,618,496	
Finance Cost	21	**-**		49,771,062	
Other expenses	22	**418,463,732**		312,044,815	
Total			**1,922,886,170**		1,527,780,620
Profit Before Tax			**249,065,873**		407,884,943
Tax Expense					
- Current tax			**93,020,000**		159,700,000
- Current tax relating to earlier years		**90,014,324**		158,008,310	
- MAT credit		**-**	**90,014,324**	(33,683,937)	124,324,373
- Deferred tax			**(6,070,000)**		(2,450,820)
Profit for the year			**72,101,549**		1263,11,390
Earnings per equity share of face value of ₹ 10 each					
Basic and Diluted - ₹	28		**10.17**		17.82
Corporate Information and Significant accounting policies	1 & 2				

Accompanying notes form an integral part of the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

for and on behalf of the board

G Jayaraman
Director

V Venkata Kumar Raju
Director

Shivanand Raja
Director

M.V. Ramana Murthy
Partner

J Venkateswarlu
Director

C Subramanyam Reddy
Director

Rao S Vadlamudi
C.E.O.

Srinivas R
AVP-Finance

Aradhana R
Company Sercretary

Hyderabad, April 21, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(in ₹)

	As at March 31, 2015	As at March 31, 2014
A. Cash flow from operating activities		
Profit before tax	**249,065,873**	407,884,943
Adjustments for		
Depreciation and amortisation	**33,156,122**	24,618,496
Loss / (Profit) on sale of fixed assets	**(89,921)**	(164,750)
Unrealised foreign exchange (gain) / loss	**2,486,671**	(11,568,679)
Interest expenses	**-**	49,771,062
Interest income	**(25,229,500)**	(25,882,448)
Operating profit / (loss) before working capital changes	**259,389,245**	444,658,624
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans and advances - Long Term	**(993,425)**	(1,698,446)
Loans and advances - Short Term	**(25,249,937)**	(83,432,344)
Trade Receivables	**(31,581,993)**	(8,338,729)
Other current assets	**(22,203,766)**	(28,797,382)
Adjustments for increase / (decrease) in operating liabilities:		
Long Term Provisions	**19,792,498**	2,005,466
Trade Payables	**8,832,222**	19,131,523
Short Term Provisions	**2,886,398**	3,423,117
Other Current Liabilities	**18,973,901**	(11,292,492)
Cash generated from operations	**229,845,143**	335,659,337
Income Tax paid (Net)	**(218,620,968)**	(461,126,549)
Net cash flow from operating activities (A)	**11,224,175**	(125,467,212)
B. Cash flow from investing activities		
Capital expenditure on fixed assets intangible assets and Capital Work in Progress	**(71,762,014)**	(37,506,435)
Proceeds from sale of fixed assets	**105,694**	172,671
Purchase of Long term investments - Subsidiaries	**(1,926,021)**	(7,676,164)
Investments in bank deposits (having original maturity of more than three months)	**(239,832,528)**	(262,458,271)
Redemption / maturity of bank deposits (having original maturity of more than three months)	**269,884,105**	233,521,794
Interest received	**33,116,097**	16,782,084
Net cash flow from / (used in) investing activities (B)	**(10,414,667)**	(57,164,321)

(in ₹)

	As at March 31, 2015	As at March 31, 2014
C. Cash flow from financing activities	**-**	-
Net cash flow from / (used in) financing activities (C)	**-**	-
Net increase / (decrease)in cash and cash equivalents	**809,508**	(182,631,532)
Effect of exchange difference on cash and cash equivalents held in foreign currency	**(2,486,671)**	11,568,679
Cash and cash equivalents at the beginning of the year	**112,590,887**	283,653,740
Cash and cash equivalents at the end of the year	**110,913,723**	112,590,887

Notes:

a. The Cash Flow Statement is prepared in accordance with the indirect Method stated in Accounting Standard 3, Cash Flow Statements and presents the cash flows by operating, investing and financing activities.

b. Accompanying notes on accounts form an integral part of the Cash Flow Statement.

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, April 21, 2015

for and on behalf of the board

G Jayaraman
Director

V Venkata Kumar Raju
Director

Shivanand Raja
Director

J Venkateswarlu
Director

C Subramanyam Reddy
Director

Rao S Vadlamudi
C.E.O.

Srinivas R
AVP-Finance

Aradhana R
Company Sercretary

Notes to the financial statements

1. Corporate Information

Satyam Venture Engineering Services Private Limited ("the Company") was incorporated in March 2000 as a 50:50 joint venture between erstwhile Satyam Computer Services Limited (SCSL) and Venture Global Engineering LLC. SCSL has been merged with Tech Mahindra Ltd consequent to a scheme of amalgamation and arrangement as approved by the Hon'ble High Court of Judicature Andhra Pradesh and Hon'ble High Court of Bombay. The Company provides engineering services such as product design, tool design and computer aided engineering simulation services to automotive industry across the globe, through its Indian operations and through its foreign branches in USA, Germany, Canada, United Kingdom and Japan. The financial statements reflect the results of its operations carried on by Indian Operations and overseas branches.

2. Significant Accounting Policies

2.1 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards specified under the Companies Act, 1956 ("1956 Act")(which are deemed to be applicable as per Section 133 of the Companies Act, 2013 ("2013 Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014) and the relevant provisions of the 1956 Act/2013 Act, as applicable. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Revenue recognition

"Revenue from services consists primarily of revenue earned from services performed on a "time and material basis". The related revenue is recognized as and when the services are performed. The Company also performs time bound fixed price engagements, under which revenue is recognized, using the percentage of completion method of accounting. The cumulative impact of any revision in estimates of percentage of work completed is reflected in the period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated. Amounts received or billed in advance of services performed are recorded as unearned revenue. Unbilled revenue, included in other current assets, represents amounts recognized based on services performed in advance of billing in accordance with contract terms. Interest income is recognised on time proportionate basis taking into account the amount outstanding and interest rate applicable."

2.4 Fixed Assets and Depreciation/Amortisation

"Fixed assets are stated at actual cost less accumulated depreciation. The actual cost includes material cost, freight, installation cost, duties and taxes, finance charges, and other incidental expenses incurred during the construction/ installation stage. Depreciation on fixed assets is provided on straight-line method over their estimated useful lives, which are higher than the useful lives indicated in Part C of Schedule II of the Companies Act, 2013. The higher useful lives have been determined by the management based on technical assessment keeping in view the historical usage. Intangible assets, primarily comprising of software, is depreciated over actual license period or estimated life whichever is less. The cost and accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are included in the statement of profit and loss. The estimated useful lives of assets are as follows: "

Particulars	Estimated useful life
Plant & Machinery (including Computers)	3 years
Office Equipment	3 years
Furniture, Fixtures and Interiors	3 years
Vehicles	3 years
Intangible assets – Software	License period or 3 years whichever is less

2.5 Impairment of Assets

The Carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

2.6 Leases

The Company's leasing arrangements are in respect of operating leases for premises. The leasing arrangements are usually cancellable / renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the statement of profit and loss.

2.7 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the period are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss. Foreign Branches are classified as integral foreign operations and are accounted on the basis of the same principle detailed above.

Foreign subsidiaries are classified as non-integral foreign operations. Assets and Liabilities (both monetary and non-monetary) are translated at the closing rate at the year end. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments.

2.8 Investments

Investments are classified as long term and current investments. Long Term Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments. Current investments are carried at lower of cost or fair value.

2.9 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of the employment are recorded in accordance with Accounting Standard – 15 "Employee Benefits". Contribution to Provident fund is charged as expense, being a defined contribution plan. Liability for compensated absences (treated as long term liability) and gratuity are provided on the basis of valuation of the liability by an independent actuary.

2.10 Taxes on Income

"Tax expense for the year comprises of current tax and deferred tax of Indian and foreign branches. Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss in the year of change. Deferred tax assets and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets other than unabsorbed depreciation and business losses are recognized and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unabsorbed depreciation and business losses are recognized only to the extent of virtual certainty of their realisability."

2.11 Earnings Per Share

"Basic earning per equity shares is computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the net profit for the year adjusted for the effects of diluted potential equity shares, attributable to the equity shareholders by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the results are anti dilutive."

2.12 Provisions and Contingent Liabilities

The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements

3. Share Capital

	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	**Amount (in ₹)**	Number of Shares	Amount (in ₹)
Authorised Capital				
Equity Shares of ₹10/- each	**7,500,000**	**75,000,000**	7,500,000	75,000,000
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹10/- each	**7,088,960**	**70,889,600**	7,088,960	70,889,600
	7,088,960	**70,889,600**	7,088,960	70,889,600

3.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

	As at March 31, 2015		As at March 31, 2014	
Equity Shares of ₹ 10 each	**Number of Shares**	**Amount (in ₹)**	Number of Shares	Amount (in ₹)
Balance at the beginning of the year	**7,088,960**	**70,889,600**	7,088,960	70,889,600
Add: Allotted during the year	**-**	**-**		-
Balance at the end of the year	**7,088,960**	**70,889,600**	7,088,960	70,889,600

3.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The percentage of shareholding shall be maintained as set out in Article 4 of Articles of Association and the fresh issue to be offered to both the shareholders in proportion to their shareholding. Any shares not accepted shall in the first instance be offered to the other remaining member and affiliates nominated by thereof.

3.3 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at March 31, 2015		As at March 31, 2014	
Equity shares of ₹10 each fully paid held by	**Number of Shares**	**Amount (in ₹)**	Number of Shares	Amount (in ₹)
Tech Mahindra Limited	**3,544,480**	**35,444,800**	3,544,480	35,444,800
Venture Global Engineering Services LLC	**3,544,480**	**35,444,800**	3,544,480	35,444,800

3.4 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at March 31, 2015		As at March 31, 2014	
Equity shares of ₹ 10 each fully paid	**Number of Shares**	**% of Holding**	Number of Shares	% of Holding
Tech Mahindra Limited	**3,544,480**	**50%**	3,544,480	50%
Venture Global Engineering Services LLC	**3,544,480**	**50%**	3,544,480	50%

(in ₹)

		As at March 31, 2015	As at March 31, 2014
4.	**Reserves and Surplus**		
	Capital Reserve		
	Opening balance	**-**	1,250,000
	Less: Transferred to General Reserve	**-**	(1,250,000)
	Closing Balance	**-**	-
	General Reserve		
	Opening balance	**1,250,000**	-
	Add: Transferred from Capital Reserve	**-**	1,250,000
	Closing Balance	**1,250,000**	1,250,000
	Foreign Currency Translation Reserve		
	Opening Balance	**(62,069)**	-
	Add: Effect of foreign exchange variations during the year	**93,104**	(62,069)
	Closing Balance	**31,035**	(62,069)
	Surplus in Statement of Profit and Loss		
	Opening Balance	**562,932,048**	436,620,658
	Add: Profit for the year after tax	**72,101,549**	126,311,390
	Closing Balance	**635,033,597**	562,932,048
	Total	**636,314,632**	564,119,979
5.	**Long Term Provisions**		
	Provision for Employee Benefits (Refer note 5.1 and 5.2)		
	Gratuity	**39,190,938**	24,120,687
	Compensated Absences	**22,400,119**	17,677,872
	Total	**61,591,057**	41,798,559

5.1 The following table sets forth the status of the Gratuity Plan of the Company, and the amounts recognized in the balance sheet and Statement of profit and loss.

(in ₹)

	As at March 31, 2015	As at March 31, 2014
Projected benefit obligation at the beginning of the year	**25,723,296**	17,845,357
Current service cost	**6,121,867**	4,072,809
Interest cost	**2,338,590**	1,403,431
Actuarial loss/(gain)	**7,685,641**	3,439,790
Benefits paid	**(882,475)**	(1,038,091)
Projected benefit obligation at the end of the year	**40,986,919**	25,723,296

(in ₹)

	As at March 31, 2015	As at March 31, 2014
Amounts recognized in the balance sheet		
Projected benefit obligation at the end of the year	**40,986,919**	25,723,296
Fair value of plan assets at end of the year	**-**	-
Funded status of the plans - asset / (liability)	**-**	-
Liability recognized in the balance sheet	**40,986,919**	25,723,296
Gratuity cost for the year		
Current service cost	**6,121,867**	4,072,809
Interest cost	**2,338,590**	1,403,431
Net actuarial (gain)/loss recognized in the year	**7,685,641**	3,439,790
Net gratuity cost	**16,146,098**	8,916,029
Assumptions		
Discount rate	**7.80%**	9.25%
Long-term rate of compensation increase	**9.00%**	9.00%

Experience History

(in ₹)

		31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	**31-Mar-15**
1	Defined Benefit Obligation at end of the Period	(11,797,279)	(12,466,648)	(17,845,357)	(25,723,296)	**(40,986,919)**
2	Plan Assets at end of the period	-	-	-	-	**-**
3	Funded Status	(11,797,279)	(12,466,648)	(17,845,357)	(25,723,296)	**(40,986,919)**
4	Experience Gain/(Loss) adjustments on plan liabilities	(8,161,809)	425,921	(536,247)	(1,276,461)	**380,631**
5	Experience Gain/(Loss) adjustments on plan assets	-	-	-	-	**-**
6	Actuarial Gain/(Loss) due to change on assumptions	Not Available	Not Available	Not Available	Not Available	Not Available

6. Trade Payables

Other than acceptances (Refer note 6.1 & 6.2)	**133,346,182**	124,513,956
Total	**133,346,182**	124,513,956

6.1 Includes ₹ 2,150,136 (31.03.2014: ₹ 9,043,916) dues to related parties (Refer note 27)

6.2 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the MSMED Act, 2006) claiming their status as micro or small enterprises. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management and the required disclosures are given below:

(in ₹)

		As at March 31, 2015	As at March 31, 2014
a)	Principal amount remaining unpaid	**Nil**	Nil
b)	Interest due thereon	**Nil**	Nil
c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	**Nil**	Nil
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	**Nil**	Nil
e)	Interest accrued and remaining unpaid	**Nil**	Nil
f)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	**Nil**	Nil

(in ₹)

		As at March 31, 2015	As at March 31, 2014
7.	**Other Current Liabilities**		
	Other Payables		
	- Dues for Capital assets	**6,911,520**	250,910
	- Statutory payables	**20,258,715**	6,837,618
	- Others	**98,675**	1,206,481
	Total	**27,268,910**	8,295,009
8.	**Short Term Provisions**		
	Provision for employee benefits		
	- Gratuity	**1,795,981**	1,602,609
	- Compensated absences	**12,136,614**	9,443,588
	Provision for Income Tax	**83,243,912**	79,681,502
	(Net of advance tax and tax deducted at source ₹ 458,804,799 (31:03:2014: ₹ 514,479,963))		
	Provision for Contingencies (Refer note 21.2)	**529,141,809**	529,141,809
	Total	**626,318,316**	619,869,508

9. Fixed Assets

(in ₹)

	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	As at April 1, 2014	**Additions**	**Deletion / Adjustment**	**As at March 31, 2015**	**Upto April 1, 2014**	**For the year**	**Deletion / Adjustment**	**As at March 31, 2015**	**As at March 31, 2015**	**As at March 31, 2014**
Tangible Assets										
Plant and Machinery	112,624,629	24,028,325	10,074,493	126,578,461	97,781,410	13,418,219	10,074,486	101,125,143	25,453,318	14,843,219
Office Equipment	17,013,926	4,761,608	160,899	21,614,635	14,119,065	2,363,368	145,133	16,337,300	5,277,335	2,894,861
Furniture, Fixtures & Interiors	23,619,032	2,239,383	252,950	25,605,465	23,008,353	640,133	252,950	23,395,536	2,209,929	610,679
Vehicles	4,322,960	-		4,322,960	4,322,960	-		4,322,960	-	-
Total	**157,580,547**	**31,029,316**	**10,488,342**	**178,121,521**	**139,231,788**	**16,421,720**	**10,472,569**	**145,180,939**	**32,940,582**	**18,348,759**
Previous Year	147,845,588	20,332,276	10,597,317	157,580,547	136,304,092	13,517,092	10,589,396	139,231,788	18,348,759	11,541,496
Intangible Assets										
Software	201,773,732	39,768,589	-	241,542,321	182,155,628	16,734,402		198,890,030	42,652,291	19,618,104
Total	**201,773,732**	**39,768,589**	**-**	**241,542,321**	**182,155,628**	**16,734,402**	**-**	**198,890,030**	**42,652,291**	**19,618,104**
Previous Year	184,391,318	17,382,414	-	201,773,732	171,054,224	11,101,404	-	182,155,628	19,618,104	13,337,094
Grand Total	**359,354,279**	**70,797,905**	**10,488,342**	**419,663,842**	**321,387,416**	**33,156,122**	**10,472,569**	**344,070,969**	**75,592,873**	**37,966,863**
Previous Year	332,236,906	37,714,690	10,597,317	359,354,279	307,358,316	24,618,496	10,589,396	321,387,416	37,966,863	24,878,590

			(in ₹)
		As at March 31, 2015	As at March 31, 2014
10.	**Non Current Investments**		
	Trade (Unquoted, At Cost)		
	Investment in equity instruments		
	In Subsidiaries		
	Satyam Venture Engineering Services (Shanghai) Co. Ltd	**9,416,611**	9,416,611
	Satven GmbH	**2,019,125**	-
	Total	**11,435,736**	9,416,611
	Aggregate amount of Unquoted Investments	**11,435,736**	9,416,611
11.	**Deferred Tax Assets**		
	Deferred tax asset as at the year end comprises:		
	Depreciation	**29,100,000**	29,980,000
	Provision for doubtful debts	**20,240,000**	19,320,000
	Provision for Compensated absences, Gratuity and other employee benefits	**26,150,000**	20,120,000
		75,490,000	69,420,000
12.	**Long Term Loans and Advances**		
	Unsecured, considered good		
	Capital Advances	**2,499**	2,499
	Security deposit (Refer note 12.1)	**17,664,646**	16,392,610
	Advance Tax and Tax Deducted at Source	**204,134,062**	164,985,008
	(Net of provisions ₹ 476,221,646 (31.03.2014: ₹ 242,132,300))		
	Total	**221,801,207**	181,380,117

12.1 Includes ₹ 1,310,302 (31.03.2014: ₹ 1,031,691) fixed deposits pledged with government authorities.

13.	**Other Non Current Assets**		
	Fixed Deposits having maturities of more than 12 months from the Balance Sheet date	**20,000,000**	20,027,587
		20,000,000	20,027,587
14.	**Trade Receivables**		
	Unsecured		
	Outstanding for a period exceeding six months from the date they were due for payment		
	Considered Good	**47,221,163**	77,055,824
	Considered Doubtful	**59,534,298**	59,534,298
		106,755,461	136,590,122
	Less: Provision for doubtful debts	**(59,534,298)**	(59,534,298)
		47,221,163	77,055,824
	Others		
	Considered Good	**475,719,994**	414,303,340
	Total	**522,941,157**	491,359,164

		As at March 31, 2015	As at March 31, 2014
			(in ₹)
15.	**Cash and Bank Balances**		
15.1	**Cash and Cash Equivalents**		
	Cash on hand	**-**	507
	Balances with banks		
	In current accounts	**-**	-
	In Rupees	**14,657,171**	1,688,207
	In Foreign Currency	**96,256,552**	40,902,173
	In Deposits with original maturity of less than 3 months	**-**	70,000,000
		110,913,723	112,590,887
15.2	**Other Bank Balances**		
	In Deposit Account	**239,553,922**	269,856,518
	Total	**350,467,645**	382,447,405
16.	**Short term loans and advances**		
	Unsecured, considered good		
	Loans and Advances to Employees	**25,892,435**	20,249,999
	Balance with government authorities	**68,412,869**	43,941,040
	MAT Credit Entitlement	**33,683,937**	33,683,937
	Prepaid expenses	**49,662,335**	47,713,871
	Others	**10,140,664**	16,953,456
	Total	**187,792,240**	162,542,303
17.	**Other Current Assets**		
	Unsecured, considered good		
	Unbilled Revenue	**78,643,243**	56,439,477
	Interest Accrued on Bank Deposits	**10,333,608**	18,220,205
	Total	**88,976,851**	74,659,682

		Year ended March 31, 2015	Year ended March 31, 2014
			(in ₹)
18.	**Revenue From Operations**		
	Sale of services		
	- Overseas / Export	**2,118,987,317**	1,806,777,361
	- Domestic	**25,431,974**	29,911,395
	Total	**2,144,419,291**	1,836,688,756
19.	**Other Income**		
	Interest on Bank Deposits	**25,229,500**	25,882,448
	Gain on Exchange Fluctuations (Net)	**-**	72,427,162
	Profit on sale of assets (Net)	**89,921**	160,835
	Miscellaneous income	**2,213,331**	506,362
	Total	**27,532,752**	98,976,807

		Year ended March 31, 2015	Year ended March 31, 2014
			(in ₹)
20.	**Employee Benefits Expense**		
	Salaries and wages	**1,411,780,507**	1,100,128,734
	Contribution to provident and other funds	**30,434,970**	24,910,127
	Gratuity	**16,956,531**	8,916,029
	Staff welfare expenses	**12,094,308**	7,391,357
	Total	**1,471,266,316**	1,141,346,247
21.	**Finance Cost**		
	Interest on delayed payment of tax	**-**	49,771,062
	Total	**-**	49,771,062
22.	**Other Expenses**		
	Rent	**32,580,835**	26,008,946
	Rates and taxes	**1,561,307**	1,405,223
	Power and fuel	**13,333,107**	13,112,428
	Travelling and Conveyance	**100,441,742**	77,941,263
	Communication	**4,982,735**	4,446,699
	Marketing expenses	**6,065,395**	6,809,696
	Office Maintenance	**6,679,173**	5,021,274
	Repair and Maintenance - Others	**2,410,947**	2,303,367
	Computer Maintenance	**76,838,857**	70,279,745
	Computer Hire Charges	**12,536,387**	13,417,416
	Security Services	**2,092,506**	1,132,705
	Recruitment, Training and Development	**12,197,518**	7,880,801
	Printing and Stationery	**3,979,782**	4,498,555
	Subcontracting Charges	**63,321,865**	44,544,917
	Legal and professional	**37,058,065**	24,871,966
	Auditors' Remuneration (Refer note 28)	**1,584,834**	1,785,000
	Corporate Social Responsibility Expenses	**6,761,345**	-
	Loss on Exchange Fluctuations (Net)	**25,195,794**	-
	Bad Debts Written off	**-**	2,200,674
	Less: Provision	**-**	(2,200,674)
	Bank Charges	**5,179,811**	2,273,251
	Miscellaneous expenses	**3,661,727**	4,311,563
	Total	**418,463,732**	312,044,815

		As at March 31, 2015	As at March 31, 2014
			(in ₹)
23	**Contingent liability**		
	Claims against the Company not acknowledged as debt		
	Disputed income tax matters (Refer Note 23.1)	**125,689,186**	186,873,391
	Disputed service tax liability	**10,493,852**	10,493,852
	Others (Refer Note 23.2)	**528,870,000**	318,180,000

23.1. Income tax matters under dispute:

Income tax assessments for AY 2002-03 to 2010-11 are completed and are in appeal before appropriate authorities. Significant tax demand represented additions made on reopened assessments. The demands related to deductibility of expenditure, transfer pricing matters and exemptions u/s 10A of the Income Tax Act 1961. Out of the total demand, ₹ 12,56,89,186 is not provided as the Company is confident of favourable out come in the appellate proceedings.

23.2. Contingent Liability - Others

The Company was promoted as 50:50 Joint Venture by Satyam Computer Services Ltd ("Satyam") and Venture Global Engineering LLC US ("Venture"). The joint venture partners entered into a Shareholders' Agreement (SHA) dated October 20, 1999 that provided for a royalty payment from the Company to both the joint venture partners in terms of a separate Royalty Agreement to be entered into between the Company and the joint venture partners. The Royalty Agreement was not entered into between the Company and the joint venture partners as envisaged in the SHA.

The Company and joint venture partners entered into separate Sales Commission Agreements that provided for payment of sales commission to the joint venture partners as per terms and conditions contained in the said agreements. In line with the provisions contained therein, the Company has been accruing and paying commission to its joint venture partners up to the year 2005-06.

During the year 2005-06, Satyam commenced arbitration proceedings against Venture in the London Court of International Arbitration ("LCIA") by invoking the arbitration clause in the SHA. Satyam's claims were upheld by the LCIA in its award dated April 2006 ("the Award"). Since then both the joint venture partners have raised numerous claims against each other resulting in a spate of litigation both in India and the USA that are still ongoing.

On January 7, 2009, the then Chairman of Satyam vide his letter addressed to then existing Board of Directors of Satyam, the stock exchanges and SEBI admitted to several financial irregularities in Satyam. Consequent to a global bidding process to take over the management of Satyam, M/s Venturbay Consultants Private Limited (the successful bidder) took over the management of Satyam.

Notwithstanding the dispute, the Company under its erstwhile management, continued to accrue the sales commission in its books. The newly reconstituted Board approved the accounts of the Company for the years 2008-09, 2009-10 and 2010-11, with continued accrual of sales commission. This was based on a view taken by the newly constituted Board that the matter is sub-judice that was corroborated by legal opinion and continued as prudent measure.

During the meetings held in 2011-12, the Board discussed the need to accrue the sales commission, as Venture did not render any services to the Company either during the year or during the past many years since the dispute. Further, in so far as the Company was concerned, Venture had not, till that point of time, claimed any amounts towards sales commission. The Board also took note of the fact (based on an updated legal opinion) that the issue of sales commission is not a disputed matter before the Courts either in India or in USA and not sub judice, as per original view.

Under the circumstances, the Board took the view on May 14, 2012 when the financial statements for the year ended March 31, 2012 was tabled for approval, that the accrual of sales commission from FY 05-06 to FY 10-11 of ₹ 359,406,780 be written back as other income in the Statement of Profit and Loss and the sales commission for the period from April 2011- December 2011 be reversed. However, as a prudent measure, the Board directed that the Company provide an amount of ₹ 529,141,809 as a provision for contingency, covering the period from FY 05-06 to FY 11-12 which in its opinion would be adequate to cover any possible outflow that may arise in respect of the afore said matter and adjustments to the financial statements if any, to be made on final disposal of legal proceedings.

Subsequent to the adoption of accounts by the Board, the Company was served a suit filed by Venture before the City Civil Court, Secunderabad inter alia seeking a direction to the Company to pay sales commission that it was entitled to under the Shareholders Agreement. In the said suit, two ex-parte orders passed by the City Civil Court, in a suit filed by Venture before it, directing the Company, Venture and Satyam to maintain status quo with regard to transfer of 50% shares of Venture and with regard to taking major decisions which are prejudicial to interest of Venture were served on the Company. The Company has challenged the ex-parte orders of the City Civil Court Secunderabad, before the Hon'ble High Court of Andhra Pradesh ("the High Court").

In a related development, the City Civil Court, Hyderabad set aside the Award in January 2012, against which Satyam has filed an appeal before the High Court.

The High Court by its Judgement dated August 23, 2013 has allowed the appeals filed by the Company and set aside the ex-parte interim orders against the Company. The High Court has also set aside the Order of the City Civil Court, Hyderabad setting aside the Award and upheld the Award in favour of Satyam. The High Court as an interim measure ordered status quo with regard to transfer of shares, originally given by Supreme Court to be maintained for four (4) weeks which was extended for a further period of 3 weeks by High Court on 19th September, 2013.

Venture filed an SLP before the Supreme Court of India which was heard by the Apex Court on 21st October, 2013 and Supreme Court as an interim measure ordered status quo with regard to transfer of shares. TechM has filed a Special leave Petition before the Supreme Court of India challenging the judgement of the High Court only on the limited issue as to whether the Civil Court has jurisdiction to entertain VGE's challenge to the Award. The said petition is pending before the Supreme Court.

The Company has not modified the the provision for contingencies amounting to ₹ 529,141,809 as on March 31, 2012. The Company has also disclosed an amount of ₹ 528,870,000 (March 31, 2014 ₹ 318,180,000) as contingent liability, to cover any possible charge that may arise in respect of the above said matter, in the financial statements for the period ended March 31, 2015 by way of abundant caution notwithstanding the Board's view that there is no need to accrue sales commission since Venture did not provide any services to the Company.

		(in ₹)
	As at March 31, 2015	As at March 31, 2014
24. Capital and other commitments		
Capital Commitments	**28,750**	14,990,811

25. Preparation of financial statements:

At the Annual General Meetings of the Company held on 29.10.2012, 10.09.2013 and 22.09.2014 one of the shareholders abstained from voting on the resolution for adoption of audited financial statements as at and for the year ended March 31, 2012,March 31, 2013 and March 31, 2014 respectively. In terms of Article 66 of the Articles of Association of the Company, the adoption of audited financial statements requires unanimous consent of both the shareholders of the Company. Therefore, the said financials have not been approved by the shareholders.

The financial statements as at and for the year ended March 31, 2015 have been drawn up incorporating the opening balances based on above said financial statements which have not been adopted by the Shareholders. Adjustments required, if any, will be made in accounts as and when determined.

26. Segment Reporting

26.1. Business Segment: The Company has only one primary business segment viz., engineering services.

26.2. Geographic Segment: Revenue and assets attributable to location of customers is as follows.

Geographic Location	**India**	**USA**	**Europe**	**Asia Pacific**	**South Africa**
Revenue	25,431,974	1,385,026,489	537,116,562	195,079,370	1,764,895
	29,911,395	*1,045,269,299*	*537,374,522*	*224,133,540*	-
Segment Assets	11,464,07,639	227,292,233	98,433,106	26,998,913	-
	11,556,38,371	*146,259,582*	*91,453,757*	*2,420,476*	-
Additions to fixed Assets	5,990,839	346,817	6,823,384	137,803	-
	37,532,908	*43,855*	*105,501*	*32,246*	

Previous year figures are in italics

27. Related Party Transactions

27.1. List of related parties and relationships

a. **Joint Venture Partner**
Tech Mahindra Limited
Venture Global Engineering LLC

b. **Subsidiary Companies**
Satyam Venture Engineering Services (Shanghai) Co. Ltd
Satven GmbH

c. **Under control of Tech Mahindra Limited**
Tech Mahindra Technologies Inc.
Tech Mahindra BPO Limited
Satyam Computer Services (Shanghai) Co. Limited
Tech Mahindra GmbH
Tech Mahindra Foundation

d. **Holding Company of Tech Mahindra Limited**
Mahindra & Mahindra Ltd.,

e. **Under control of Venture Global Engineering LLC**
Jiangyin Venture Interior System
Millard design
Metro Tool & Die
Peguform
Venture Diversified Products
Candence Innovation
Venture Mould & Engg Co
Venture Otto South Africa (Prop) Ltd
Venture Auto Design(Shanghi)Co. Ltd

f. **Key Managerial Personnel**
Rao S Vadlamudi - Chief Executive Officer
Aradhana Rewatkar - Company Secretary

27.2 Related party transactions for the year ended March 31, 2015 are as follows:

(in ₹)

	As at March 31, 2015	As at March 31, 2014
Revenue		
Tech Mahindra Limited	**97,327,448**	104,860,879
Tech Mahindra Technologies Inc	**512,924,046**	434,394,841
Tech Mahindra GmbH	**102,097,956**	-
Venture Otto South Africa (Prop) Ltd	**1,717,398**	-
Venture Auto Design(Shanghi)Co. Ltd	**175,025**	-
Satyam Venture Engineering Services (Shanghai) Co. Ltd	**13,232,160**	-
Reimbursement of Expenditure		
Tech Mahindra Limited	**15,374,748**	31,243,618
Satyam Computer Services (Shanghai) Co Ltd.,	**-**	1,824,462

27.2 Related party transactions for the year ended March 31, 2015 are as follows:

(in ₹)

	As at March 31, 2015	As at March 31, 2014
Tech Mahindra GmbH	**64,430,972**	7,871,273
Satven GmbH	**4,002,047**	-
Investments During the period		
Satyam Venture Engineering Services (Shanghai) Co. Ltd	**-**	9,416,611
Satven GmbH	**2,019,125**	-
Reimbursements received		
Satyam Venture Engineering Services (Shanghai) Co. Ltd	**1,957,370**	7,954,446
Contribution made toward CSR Expenditure		
Tech Mahindra Foundation	**6,761,345**	-
Remuneration to key management personal	**8,845,518**	7,886,196
Year end Balances:		
Debit balances outstanding as at March 31, 2015		
Tech Mahindra Limited	**7,718,394**	34,028,818
Tech Mahindra Technologies Inc	**168,033,070**	176,484,257
Tech Mahindra GmbH	**70,537,390**	3,013,633
Jiangyin Venture Interior Systems	**911,258**	56,832
Millard design	**318,164**	198,687
Metro Tool & Die	**198,687**	45,850
Peguform	**1,117,699**	8,177,012
Venture	**655,892**	78,967,157
Venture Diversified Products	**263,214**	-
Cadence Innovation	**555,487**	22,427
Venture Mould & Engg.Co	**(24,061)**	-
Venture Otto South Africa (Prop) Ltd	**29,376**	-
Satyam Venture Engineering Services (Shanghai) Co. Ltd	**15,966,988**	-
Satven GmbH	**70,962**	-
Mahindra & Mahindra Ltd	**3,812,709**	-
Investments		
Satyam Venture Engineering Services (Shanghai) Co. Ltd	**9,416,611**	9,416,611
Satven GmbH	**2,019,125**	-

The remuneration to key management person does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the company as a whole.

28. Auditors Remuneration

(In ₹)

	As at March 31, 2015	As at March 31, 2014
Statutory Audit fee	**750,000**	750,000
Tax Audit fee	**200,000**	200,000
Other Services	**634,834**	835,000
Total	**1,584,834**	1,785,000

29. Earnings Per Equity Shares

		Year ended March 31, 2015	Year ended March 31, 2014
Net profit after tax	**In ₹**	**72,101,549**	126,311,390
Weighted average number of equity shares outstanding during the period	**In Nos.**	**7,088,960**	7,088,960
Face Value of Equity Shares	**In ₹**	**10.00**	10.00
Basic and Diluted Earnings per Share *	**In ₹**	**10.17**	17.82

* The Company has no dilutive instruments during the year ended March 31 2015.

(In ₹)

30. Earning and Expenditure in foreign currency	Year ended March 31, 2015	Year ended March 31, 2014
Earnings in foreign exchange during the year : Sale of services	**2,118,987,317**	1,806,777,361
CIF value of imports : Capital goods	**16,851,537**	12,091,666
Expenditure incurred in foreign currency :		
Travelling Expenses	**58,557,893**	73,939,293
Expenditure incurred at overseas branches	**784,513,883**	626,303,874
Salary Re-imbursements	**14,732,990**	29,893,116
Subcontracting Charges	**63,321,865**	44,544,917

31. The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

		March 31, 2015		March 31, 2014	
Particulars		In foreign currency	In ₹	In foreign currency	In ₹
Sundry Debtors					
	USD	**5,675,578**	**354,695,250**	5,830,684	349,374,597
	Euro	**2,121,841**	**142,589,807**	1,370,453	112,966,400
	GBP	**27,062**	**2,501,665**	17,289	1,722,362
	JPY	**15,879,163**	**8,274,632**	6,394,638	3,731,271
	CND	**3,637**	**178,365**	3,637	197,272
Cash and Bank Balances					
	USD	**933,494**	**58,338,734**	49,624	2,973,462
	Euro	**335,007**	**22,512,816**	436,034	35,942,246
	GBP	**2,971**	**274,628**	3,071	305,935
	JPY	**29,035,443**	**15,130,374**	2,880,085	1,680,530

Particulars		March 31, 2015 In foreign currency	March 31, 2015 In ₹	March 31, 2014 In foreign currency	March 31, 2014 In ₹
Other assets (Unbilled Revenue)					
	USD	**140,827**	**8,800,955**	486,100	29,127,114
	Euro	**189,609**	**12,741,883**	364,118	30,014,248
	JPY	**8,306,225**	**4,328,374**	1,427,101	832,714
	CNY	**1,312,740**	**13,232,160**	-	-
	GBP	**6,696**	**618,998**		
Loans and Advances					
	USD	**1,268**	**79,244**	-	-
	Euro	**6,151**	**413,367**	-	-
	CNY	**-**	**-**	8,723	84,119
Trade Payables					
	USD	**1,620**	**101,242**	1,620	97,070
	Euro	**86,638**	**5,848,238**	100,205	8,259,930
	CNY	**330,000**	**171,963**	-	-
	GBP	**23,259**	**2,150,136**	11,593	1,154,920
Other current liabilities					
	USD	**108,235**	**6,764,177**	1,098	65,782

32. Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, April 21, 2015

for and on behalf of the board

G Jayaraman Director	**V Venkata Kumar Raju** Director	**Shivanand Raja** Director
J Venkateswarlu Director	**C Subramanyam Reddy** Director	**Rao S Vadlamudi** C.E.O.
Srinivas R AVP-Finance	**Aradhana R** Company Sercretary	

INDEPENDENT AUDITORS' REPORT

To

The Members Of
Satyam Venture Engineering Services Private Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Satyam Venture Engineering Services Private Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in the terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and 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, its associates and jointly controlled entities as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following notes in the financial statements:

a) Note 22.2 regarding reckoning of ₹ 528,870,000/- as contingent liability, towards any possible charge that may arise in respect of ongoing dispute between the promoters, for the period from April 01, 2012 to March 31, 2015 based on legal advice and for reasons stated in the said note notwithstanding the status of litigation between the promoters on various issues relating to the Shareholders Agreement, the outcome of which is not determinable at this stage.

b) Note 24 regarding drawing up of accounts for the period incorporating opening balances based on the financial statements of previous years which have not been adopted by the shareholders.

Our opinion is not modified in respect of this matters.

Other Matter

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets (net) of ₹ 36,234,807 as at March 31, 2015, total revenues (net) of ₹ 43,149,141 and net cash inflows amounting to ₹ 6,520,039 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, since all subsidiaries in the Group are located outside India to which the Order is not applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) The matter relating to contingent liability described in paragraph (a) under the Emphasis of Matters above, in our opinion, may have an adverse effect on the functioning of the Company.

   (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 22 to the consolidated financial statements;

      ii. No provisioning is required under any law or accounting standards, for material foreseeable losses on long term contracts except for the contingent liability described under note 22.2 for which provision is not made since the matters involving these litigations are sub-judice at present, the impact of these pending litigations on its financial position could not be stated in the Consolidated Financial Statements. Further, according to the information and explanations given to us and in our opinion, there were no derivative contracts entered into by the Company as at March 31, 2015.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No.000459S

M.V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, April 21, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Satyam Venture Engineering Services Private Limited)

(i) Our reporting on the Order does not include two subsidiaries, incorporated outside India, to which the Order is not applicable.

(ii) In respect of its fixed assets:

(a) The Group has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the fixed assets have been physically verified during the year by the Management of the respective entities in accordance with a programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the respective entities and the nature of their assets, The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(iii) The Group is a service company, primarily engaged in engineering services. It did not deal in any inventory during the year and accordingly requirements of paragraph 3(ii) of the Order is not applicable.

(iv) According to the information and explanations given to us, no loans, secured or unsecured were granted to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and accordingly paragraph 3(iii) of the Order are not applicable.

(v) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased /services availed are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system in the Group, commensurate with the size of the respective entities and the nature of their business for the purchase fixed assets and for the sale of services. Further, on the basis of our examination of books and records and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

(vi) According to the information and explanations given to us, the Group has not accepted any deposits from the public to which the provisions of section 73 to 76 of the Companies Act 2013 apply. Accordingly paragraph 3(v) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) (d) of the Companies Act, 2013 for the Company.

(viii) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues:

(a) The Group have been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities. The provisions of Employees' State Insurance and Excise Duty are not applicable to at present.

(b) There were no undisputed amounts payable in respect of Income Tax, Provident Fund, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax and Cess which were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on March 31, 2015 on account of disputes are given below:

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (In ₹)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2001-02 to 2009-10	72,023,732

(d) The Group does not have any amounts to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

(ix) The Group does not have accumulated losses at the end of the financial year and the Group has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(x) In our opinion and according to the information and explanations given to us, the Group does not have any borrowings; accordingly, provisions of paragraph 3(ix) of the Order is not applicable.

(xi) According to the information and explanation given to us, the Group have not given guarantees for loans taken by others from banks and financial institutions; accordingly, provisions of paragraph 3(x) of the Order is not applicable.

(xii) The Group has not obtained any term loans during the year; accordingly, provisions of paragraph 3(xi) of the Order is not applicable.

(xiii) During the course of our examination of the books and other records of the Group carried out in accordance with the generally accepted auditing practices in India and to the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Group and no material fraud on the Group has been noticed or reported during the year.

for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No.000459S

M.V. Ramana Murthy
Partner
Membership No.206439

Hyderabad, April 21, 2015

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

(in ₹)

	Note		**As at March 31, 2015**		As at March 31, 2014
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	**70,889,600**		70,889,600	
Reserves and Surplus	4	**639,471,475**		560,117,280	
			710,361,075		631,006,880
Non Current Liabilities					
Long Term Provisions	5		**61,591,057**		41,798,559
Current Liabilities					
Trade Payables	6	**134,692,274**		124,513,956	
Other Current Liabilities	7	**31,352,383**		8,503,817	
Short Term Provisions	8	**626,493,032**		619,869,508	
			792,537,689		752,887,281
Total			**1,564,489,821**		1,425,692,720
ASSETS					
Non Current Assets					
Fixed Assets	9				
Tangible Assets		**32,972,430**		18,397,335	
Intangible Assets		**42,652,290**		19,618,104	
Capital work in progress		**1,230,988**		266,879	
Deferred Tax Asset (Net)	10	**75,490,000**		69,420,000	
Long Term Loans and Advances	11	**221,801,207**		181,380,117	
Other Non Current Assets	12	**20,000,000**		20,027,587	
			394,146,915		309,110,022
Current assets					
Trade Receivables	13	**548,111,960**		499,281,123	
Cash and Bank Balances	14	**361,499,805**		386,959,526	
Short Term Loans and Advances	15	**184,986,450**		155,682,367	
Other Current Assets	16	**75,744,691**		74,659,682	
			1,170,342,906		1,116,582,698
Total			**1,564,489,821**		1,425,692,720

Corporate information and significant accounting policies 1 & 2

Accompanying notes form an integral part of the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, April 21, 2015

for and on behalf of the board

G Jayaraman
Director

V Venkata Kumar Raju
Director

Shivanand Raja
Director

J Venkateswarlu
Director

C Subramanyam Reddy
Director

Rao S Vadlamudi
C.E.O.

Srinivas R
AVP-Finance

Aradhana R
Company Sercretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(in ₹)

	Note		Year ended March 31, 2015		Year ended March 31, 2014
Revenue					
Revenue from operations	17	**2,174,336,272**		1,853,831,560	
Other Income	18	**27,619,300**		98,855,115	
Total			**2,201,955,572**		1,952,686,675
Expenses					
Employee Benefits Expense	19	**1,491,407,144**		1,159,292,875	
Depreciation and Amortization Expense	9	**33,175,364**		24,632,599	
Finance Cost	20	**-**		49,771,062	
Other expenses	21	**421,125,757**		320,334,064	
Total			**1,945,708,265**		1,554,030,600
Profit Before Tax			**256,247,307**		398,656,075
Tax Expense					
- Current tax			**93,624,811**		159,700,000
- Current tax relating to earlier years		**90,014,324**		158,008,310	
- MAT credit		**-**	**90,014,324**	(33,683,937)	124,324,373
- Deferred tax			**(6,070,000)**		(2,450,820)
Profit for the period			**78,678,172**		117,082,522
Earnings per equity share of face value of ₹ 10 each					
Basic and Diluted - ₹	29		**11.10**		16.52
Corporate information and significant accounting policies	1 & 2				

Accompanying notes form an integral part of the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

for and on behalf of the board

G Jayaraman
Director

V Venkata Kumar Raju
Director

Shivanand Raja
Director

M.V. Ramana Murthy
Partner

J Venkateswarlu
Director

C Subramanyam Reddy
Director

Rao S Vadlamudi
C.E.O.

Srinivas R
AVP-Finance

Aradhana R
Company Sercretary

Hyderabad, April 21, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(in ₹)

		As at March 31, 2015	As at March 31, 2014
A.	**Cash flow from operating activities**		
	Profit before tax	**256,247,307**	403,677,349
	Adjustments for		
	Depreciation and amortisation	**33,175,364**	24,632,599
	Loss / (Profit) on sale of fixed assets	**(89,921)**	(160,835)
	Unrealised foreign exchange gain / loss	**2,486,671**	(11,568,679)
	Interest expenses	**-**	49,771,062
	Interest income	**(25,252,187)**	(25,882,448)
	Operating profit / (loss) before working capital changes	**266,567,234**	440,469,048
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Loans and advances - Long Term	**(993,425)**	(1,698,446)
	Loans and advances - Short Term	**(29,304,083)**	(78,407,015)
	Trade Receivables	**(48,830,837)**	(16,260,688)
	Other current assets	**(8,971,606)**	(2,1986,649)
	Adjustments for increase / (decrease) in operating liabilities:		
	Long Term Provisions	**19,792,498**	2,005,466
	Trade Payables	**10,178,318**	19,209,959
	Short Term Provisions	**2,886,398**	34,23,117
	Other Current Liabilities	**22,848,566**	(160,72,301)
	Cash generated from operations	**234,173,064**	330,682,491
	Income Tax paid (Net)	**(219,051,063)**	(461,126,549)
	Net cash flow from operating activities (A)	**15,122,001**	(130,444,058)
B.	**Cash flow from investing activities**		
	Capital expenditure on fixed assets intangible assets and CWIP	**(71,762,013)**	(37,569,116)
	Proceeds from sale of fixed assets	**103,180**	168,758
	Investments in bank deposits (having original maturity of more than three months)	**(239,832,533)**	(262,458,271)
	Redemption / maturity of bank deposits (having original maturity of more than three months)	**269,884,105**	233,521,792
	Interest received	**33,138,784**	16,782,084
	Foreign Currency translation adjustment (arising on consolidation)	**676,022**	129,723
	Net cash flow from / (used in) investing activities (B)	**(7,792,455)**	(49,425,029)

(in ₹)

		As at March 31, 2015	As at March 31, 2014
C.	**Cash flow from financing activities**	**-**	-
	Net cash flow from / (used in) financing activities (C)	**-**	-
	Net increase / (decrease) in cash and cash equivalents	**7,329,546**	(179,869,087)
	Effect of exchange difference on cash and cash equivalents held in foreign currency	**(2,486,671)**	11,568,679
	Cash and cash equivalents at the beginning of the year	**117,103,008**	285,403,416
	Cash and cash equivalents at the end of the year	**121,945,883**	117,103,008

Notes:

a. The Cash Flow Statement is prepared in accordance with the indirect Method stated in Accounting Standard 3, Cash Flow Statements and presents the cash flows by operating, investing and financing activities.

b. Accompanying notes on accounts form an integral part of the Cash Flow Statement.

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, April 21, 2015

for and on behalf of the board

G Jayaraman Director	**V Venkata Kumar Raju** Director	**Shivanand Raja** Director
J Venkateswarlu Director	**C Subramanyam Reddy** Director	**Rao S Vadlamudi** C.E.O.
Srinivas R AVP-Finance	**Aradhana R** Company Sercretary	

Notes to the consolidated financial statements

1. Corporate Information

Satyam Venture Engineering Services Private Limited ("the Company") was incorporated in March 2000 as a 50:50 joint venture between erstwhile Satyam Computer Services Limited (SCSL) and Venture Global Engineering LLC. SCSL has been merged with Tech Mahindra Ltd consequent to a scheme of amalgamation and arrangement as approved by the Hon'ble High Court of Judicature Andhra Pradesh and Hon'ble High Court of Bombay. The Company provides engineering services such as product design, tool design and computer aided engineering simulation services to automotive industry across the globe, through its Indian operations and through its foreign branches in USA, Germany, Canada, United Kingdom and Japan. The financial statements reflect the results of its operations carried on by Indian Operations and overseas branches. The Consolidated financial statements reflect the results of its operations carried on by Indian Operations, overseas branches and subsidiaries incorporated in China and Germany, collectively referred to as the "Group".

2. Significant Accounting Policies

2.1 Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions as per Accounting Standard (AS) 21 - ""Consolidated Financial Statements"" specified under the Companies Act, 1956 (""1956 Act"")(which are deemed to be applicable as per Section 133 of the Companies Act, 2013 (""2013 Act""), read with Rule 7 of the Companies (Accounts) Rules, 2014) and the relevant provisions of the 1956 Act/2013 Act."" The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

The financial statements of the subsidiaries, used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2015.

Minority interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from current liabilities and equity of the Company.

Minority interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

Intra-group balances and intra-group transactions and resulting unrealised profits/loss has been eliminated. In case of foreign subsidiaries being non-integral foreign operations, revenue items are consolidated at monthly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in "Foreign Currency Translation Reserve".

The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's Separate financial statements.

Investment in subsidiaries not considered for consolidation have been accounted as per Accounting Standard (AS) 13 – Accounting for Investments and the relevant provisions of the 1956 Act/2013 Act, as applicable.

2.2 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards specified under the Companies Act, 1956 ("1956 Act")(which are deemed to be applicable as per Section 133 of the Companies Act, 2013 ("2013 Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014) and the relevant provisions of the 1956 Act/2013 Act, as applicable. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

2.3 Use of estimates

The preparation of the financial statements in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.4 Revenue recognition

“Revenue from services consists primarily of revenue earned from services performed on a “time and material basis”. The related revenue is recognized as and when the services are performed. The Company also performs time bound fixed price engagements, under which revenue is recognized, using the percentage of completion method of accounting. The cumulative impact of any revision in estimates of percentage of work completed is reflected in the period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated. Amounts received or billed in advance of services performed are recorded as unearned revenue. Unbilled revenue, included in other current assets, represents amounts recognized based on services performed in advance of billing in accordance with contract terms. Interest income is recognised on time proportionate basis taking into account the amount outstanding and interest rate applicable.”

2.5 Fixed Assets and Depreciation/Amortisation

“Fixed assets are stated at actual cost less accumulated depreciation. The actual cost includes material cost, freight, installation cost, duties and taxes, finance charges, and other incidental expenses incurred during the construction/ installation stage. Depreciation on fixed assets is provided on straight-line method over their estimated useful lives, which are higher than the useful lives indicated in Part C of Schedule II of the Companies Act, 2013. The higher useful lives have been determined by the management based on technical assessment keeping in view the historical usage. Intangible assets, primarily comprising of software, is depreciated over actual license period or estimated life whichever is less. The cost and accumulated depreciation for fixed assets sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are included in the statement of profit and loss. The estimated useful lives of assets are as follows:“

Particulars	**Estimated useful life**
Plant & Machinery (including Computers)	3 years
Office Equipment	3 years
Furniture, Fixtures and Interiors	3 years
Vehicles	3 years
Intangible assets – Software	License period or 3 years whichever is less

2.6 Impairment of Assets

The Carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the asset’s net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

2.7 Leases

The Company’s leasing arrangements are in respect of operating leases for premises. The leasing arrangements are usually cancellable / renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the statement of profit and loss.

2.8 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss. Foreign Branches are classified as integral foreign operations and are accounted on the basis of the same principle detailed above.

Foreign subsidiaries are classified as non-integral foreign operations. Assets and Liabilities (both monetary and non-monetary) are translated at the closing rate at the year end. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments.

2.9 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of the employment are recorded in accordance with Accounting Standard – 15 "Employee Benefits". Contribution to Provident fund is charged as expense, being a defined contribution plan. Liability for compensated absences (treated as long term liability) and gratuity are provided on the basis of valuation of the liability by an independent actuary carried out at the end of each quarter.

2.10 Taxes on Income

Tax expense for the year comprises of current tax and deferred tax of Indian and foreign branches. Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss in the year of change. Deferred tax assets and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets other than unabsorbed depreciation and business losses are recognized and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unabsorbed depreciation and business losses are recognized only to the extent of virtual certainty of their realisability.

2.11 Earnings Per Share

"Basic earning per equity shares is computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the net profit for the year adjusted for the effects of diluted potential equity shares, attributable to the equity shareholders by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the results are anti dilutive."

2.12 Provisions and Contingent Liabilities

The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements

3. Share Capital

	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	**Amount (in ₹)**	Number of Shares	Amount (in ₹)
Authorised Capital				
Equity Shares of ₹10/- each	**7,500,000**	**75,000,000**	7,500,000	75,000,000
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹10/- each	**7,088,960**	**70,889,600**	7,088,960	70,889,600
	7,088,960	**70,889,600**	7,088,960	70,889,600

3.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

Equity Shares of ₹ 10 each	**As at March 31, 2015** Number of Shares	**As at March 31, 2015** Amount (in ₹)	As at March 31, 2014 Number of Shares	As at March 31, 2014 Amount (in ₹)
Balance at the beginning of the year	**7,088,960**	**70,889,600**	7,088,960	70,889,600
Add: Allotted during the year	**-**	**-**	-	-
Balance at the end of the year	**7,088,960**	**70,889,600**	7,088,960	70,889,600

3.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The percentage of shareholding shall be maintained as set out in Article 4 of Articles of Association and the fresh issue to be offered to both the shareholders in proportion to their shareholding. Any shares not accepted shall in the first instance be offered to the other remaining member and affiliates nominated by thereof.

3.3 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

Equity shares of ₹10 each fully paid held by	**As at March 31, 2015** Number of Shares	**As at March 31, 2015** Amount (in ₹)	As at March 31, 2014 Number of Shares	As at March 31, 2014 Amount (in ₹)
Tech Mahindra Limited	**3,544,480**	**35,444,800**	3,544,480	35,444,800
Venture Global Engineering Services LLC	**3,544,480**	**35,444,800**	3,544,480	35,444,800

3.4 Details of shares held by each shareholders holding more than 5% shares in the Company

Equity shares of ₹ 10 each fully paid	**As at March 31, 2015** Number of Shares	**As at March 31, 2015** % of Holding	As at March 31, 2014 Number of Shares	As at March 31, 2014 % of Holding
Tech Mahindra Limited	**3,544,480**	**50%**	3,544,480	50%
Venture Global Engineering Services LLC	**3,544,480**	**50%**	3,544,480	50%

(in ₹)

	As at March 31, 2015	As at March 31, 2014
4. Reserves and Surplus		
Capital Reserve		
Opening balance	**-**	1,250,000
Less: Transferred to General Reserve	**-**	(1,250,000)
Closing Balance	**-**	-
General Reserve		
Opening balance	**1,250,000**	-
Add: Transferred from Capital Reserve	**-**	1,250,000
Closing Balance	**1,250,000**	1,250,000
Foreign Currency Translation Reserve		
Opening Balance	**108,935**	(20,788)
Add: Effect of foreign exchange variations during the year	**676,023**	129,723
Closing Balance	**784,958**	108,935

(in ₹)

	As at March 31, 2015	As at March 31, 2014
Surplus in Statement of Profit and Loss		
Opening Balance	**558,758,345**	436,654,549
Add: Profit for the year after tax	**78,678,172**	122,103,796
Closing Balance	**637,436,517**	558,758,345
Total	**639,471,475**	560,117,280

5. Long Term Provisions

Provision for Employee Benefits		
Gratuity	**39,190,938**	24,120,687
Compensated Absences	**22,400,119**	17,677,872
Total	**61,591,057**	41,798,559

6. Trade Payables

Other than acceptances (Refer note 6.1 & 6.2)	**134,692,274**	124,513,956
Total	**134,692,274**	124,513,956

6.1 Includes ₹ 2,150,136 (31.03.2014: ₹ 9,043,916) dues to related parties (Refer note 28)

6.2 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the MSMED Act, 2006) claiming their status as micro or small enterprises. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management and the required disclosures are given below:

(in ₹)

	As at March 31, 2015	As at March 31, 2014
a) Principal amount remaining unpaid	**Nil**	Nil
b) Interest due thereon	**Nil**	Nil
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	**Nil**	Nil
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	**Nil**	Nil
e) Interest accrued and remaining unpaid	**Nil**	Nil
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	**Nil**	Nil

(in ₹)

		As at March 31, 2015	As at March 31, 2014
7.	**Other Current Liabilities**		
	Other Payables		
	- Dues for Capital assets	**6,911,520**	250,910
	- Statutory payables	**24,342,188**	7,046,426
	- Others	**98,675**	1,206,481
	Total	**31,352,383**	8,503,817
8.	**Short Term Provisions**		
	Provision for employee benefits		
	- Gratuity	**1,795,981**	1,602,609
	- Compensated absences	**12,136,614**	9,443,588
	Provision for Income Tax	**83,418,628**	79,681,502
	(Net of advance tax and tax deducted at source ₹ 458,804,799 (31:03:2014: ₹ 514,479,963))		
	Provision for Contingencies (Refer note 21.2)	**529,141,809**	529,141,809
	Total	**626,493,032**	619,869,508

9. Fixed Assets

(in ₹)

	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	As at April 1, 2014	**Additions**	**Deletion / Adjustment**	**As at March 31, 2015**	**Upto April 1, 2014**	**For the year**	**Deletion / Adjustment**	**As at March 31, 2015**	**As at March 31, 2015**	**As at March 31, 2014**
Tangible Assets										
Plant and Machinery	112,687,310	24,028,325	10,071,986	126,643,649	97,795,515	13,437,461	10,074,493	101,158,483	25,485,165	14,891,795
Office Equipment	17,013,926	4,761,608	160,899	21,614,635	14,119,065	2,363,368	145,133	16,337,300	5,277,335	2,894,861
Furniture, Fixtures & Interiors	23,619,032	2,239,383	252,950	25,605,465	23,008,353	640,133	252,950	23,395,536	2,209,929	610,679
Vehicles	4,322,960	-	-	4,322,960	4,322,960	-	-	4,322,960	-	-
Total	**157,643,228**	**31,029,316**	**10,485,835**	**178,186,709**	**139,245,893**	**16,440,961**	**10,472,576**	**145,214,279**	**32,972,430**	**18,397,335**
Previous Year	147,845,588	20,394,957	10,597,317	157,643,228	136,304,092	13,531,196	10,589,396	139,245,893	18,397,335	11,541,496
Intangible Assets										
Software	201,773,732	39,768,588	-	241,542,320	182,155,628	16,734,402		198,890,030	42,652,290	19,618,104
Total	**201,773,732**	**39,768,588**	**-**	**241,542,320**	**182,155,628**	**16,734,401**	**-**	**198,890,030**	**42,652,290**	**19,618,104**
Previous Year	184,391,318	17,382,414	-	201,773,732	171,054,224	11,101,403	-	182,155,628	19,618,104	13,337,094
Grand Total	**359,416,960**	**70,797,904**	**10,485,835**	**419,729,029**	**321,401,521**	**33,175,363**	**10,472,576**	**344,104,309**	**75,624,720**	**38,015,439**
Previous Year	332,236,906	37,777,371	10,597,317	359,416,960	307,358,316	24,632,599	10,589,396	321,401,521	38,015,439	24,878,590

(in ₹)

		As at March 31, 2015	As at March 31, 2014
10.	**Deferred Tax Assets**		
	Deferred tax asset as at the year end comprises of:		
	Depreciation	**29,100,000**	29,980,000
	Provision for doubtful debts	**20,240,000**	19,320,000
	Provision for Compensated absences, Gratuity and other employee benefits	**26,150,000**	20,120,000
	Total	**75,490,000**	69,420,000
11.	**Long Term Loans and Advances**		
	Unsecured, considered good		
	Capital Advances	**2,499**	2,499
	Security deposit (Refer note 11.1)	**17,664,646**	16,392,610
	Advance Tax and Tax Deducted at Source	**204,134,062**	164,985,008
	(Net of provisions ₹ 476,221,646 (31.03.2014: ₹ 242,132,300))		
	Total	**221,801,207**	181,380,117

11.1 Includes ₹ 1,310,302 (31.03.2014: ₹ 1,031,691) fixed deposits pledged with government authorities.

(in ₹)

		As at March 31, 2015	As at March 31, 2014
12.	**Other Non Current Assets**		
	Fixed Deposits having maturities of more than 12 months from the Balance Sheet date.	**20,000,000**	20,027,587
		20,000,000	20,027,587
13.	**Trade Receivables**		
	Unsecured		
	Outstanding for a period exceeding six months from the date they were due for payment		
	Considered Good	**47,221,163**	77,055,824
	Considered Doubtful	**59,534,298**	59,534,298
		106,755,461	136,590,122
	Less: Provision for doubtful debts	**(59,534,298)**	(59,534,298)
		47,221,163	77,055,824
	Others		
	Considered Good	**500,890,797**	422,225,298
	Total	**548,111,960**	499,281,123

		As at March 31, 2015	(in ₹) As at March 31, 2014
14.	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	Cash on hand	**-**	507
	Balances with banks		
	In current accounts	**-**	-
	In Rupees	**14,657,171**	1,688,207
	in Foreign Currency	**107,288,712**	45,414,294
	In Deposits with original maturity of less than 3 months	**-**	70,000,000
		121,945,883	117,103,008
	Other Bank Balances		
	In Deposit Account	**239,553,922**	269,856,518
	Total	**361,499,805**	386,959,526
15.	**Short term loans and advances**		
	Unsecured, considered good		
	Loans and Advances to Employees	**25,892,435**	21,423,360
	Balance with government authorities	**68,412,869**	43,862,188
	MAT Credit Entitlement	**33,683,937**	33,683,937
	Prepaid expenses	**49,662,335**	47,713,871
	Others	**7,334,874**	8,999,011
	Total	**184,986,450**	155,682,367
16.	**Other Current Assets**		
	Unsecured, considered good		
	Unbilled Revenue	**65,411,083**	56,439,477
	Interest Accrued on Bank Deposits	**10,333,608**	18,220,205
	Total	**75,744,691**	74,659,682

		Year ended March 31, 2015	(in ₹) Year ended March 31, 2014
17.	**Revenue From Operations**		
	Sale of services		
	- Overseas / Export	**2,148,904,298**	1,823,920,165
	- Domestic	**25,431,974**	29,911,395
	Total	**2,174,336,272**	1,853,831,560
18.	**Other Income**		
	Interest on Bank Deposits	**25,252,187**	25,882,448
	Gain on Exchange Fluctuations (Net)	**-**	72,305,470
	Profit on sale of assets	**89,921**	160,835
	Miscellaneous income	**2,277,192**	506,362
	Total	**27,619,300**	988,55,115

			(in ₹)
		Year ended March 31, 2015	Year ended March 31, 2014
19.	**Employee Benefits Expense**		
	Salaries and wages	**1,430,895,165**	1,118,075,362
	Contribution to provident and other funds	**30,434,970**	24,910,127
	Gratuity	**16,956,531**	8,916,029
	Staff welfare expenses	**13,120,478**	7,391,357
	Total	**1,491,407,144**	1,159,292,875
20.	**Finance Cost**		
	Interest on delayed payment of tax	**-**	49,771,062
	Total	**-**	49,771,062
21.	**Other Expenses**		
	Rent	**32,921,440**	26,008,946
	Rates and taxes	**4,132,304**	1,448,006
	Power and fuel	**13,333,107**	13,112,428
	Travelling and Conveyance	**100,686,183**	78,977,704
	Communication	**5,066,067**	4,565,765
	Marketing expenses	**8,223,717**	6,895,825
	Office Maintenance	**6,679,173**	5,021,274
	Repair and Maintenance - Others	**(1,372,437)**	2,303,367
	Computer Maintenance	**76,838,857**	70,279,745
	Computer Hire Charges	**12,536,387**	13,417,416
	Security Services	**2,092,506**	1,132,705
	Recruitment, Training and Development	**12,197,518**	7,880,801
	Printing and Stationery	**4,111,111**	4,498,555
	General Office Expenses	**-**	-
	Subcontracting Charges	**63,321,865**	44,544,917
	Legal and professional	**35,919,044**	26,068,502
	Auditors' Remuneration (Refer note 29)	**1,584,834**	1,785,000
	Corporate Social Responsibility Expenses	**6,761,345**	-
	Loss on Exchange Fluctuations (Net)	**25,195,027**	-
	Bad Debts Written off	**-**	2,200,674
	Less: Provision	**-**	(2,200,674)
	Bank Charges	**5,179,811**	2,273,251
	Miscellaneous expenses	**5,717,898**	10,119,855
	Total	**421,125,757**	320,334,064

			(in ₹)
		As at March 31, 2015	As at March 31, 2014
22.	**Contingent liability**		
	Claims against the Company not acknowledged as debt		
	Disputed income tax matters (Refer Note 22.1)	**125,689,186**	186,873,391
	Disputed service tax liability	**10,493,852**	10,493,852
	Others (Refer Note 22.2)	**528,870,000**	318,180,000

22.1. Income tax matters under dispute:

Income tax assessments for AY 2002-03 to 2010-11 are completed and are in appeal before appropriate authorities. Significant tax demand represented additions made on reopened assessments. The demands related to deductibility of expenditure, transfer pricing matters and exemptions u/s 10A of the Income Tax Act 1961. Out of the total demand, ₹ 125,689,186 is not provided as the Company is confident of favourable out come in the appellate proceedings.

22.2. Contingent Liability - Others

The Company was promoted as 50:50 Joint Venture by Satyam Computer Services Ltd (“Satyam”) and Venture Global Engineering LLC US (“Venture”). The joint venture partners entered into a Shareholders’ Agreement (SHA) dated October 20, 1999 that provided for a royalty payment from the Company to both the joint venture partners in terms of a separate Royalty Agreement to be entered into between the Company and the joint venture partners. The Royalty Agreement was not entered into between the Company and the joint venture partners as envisaged in the SHA.

The Company and joint venture partners entered into separate Sales Commission Agreements that provided for payment of sales commission to the joint venture partners as per terms and conditions contained in the said agreements. In line with the provisions contained therein, the Company has been accruing and paying commission to its joint venture partners up to the year 2005-06.

During the year 2005-06, Satyam commenced arbitration proceedings against Venture in the London Court of International Arbitration (“LCIA”) by invoking the arbitration clause in the SHA. Satyam’s claims were upheld by the LCIA in its award dated April 2006 (“the Award”). Since then both the joint venture partners have raised numerous claims against each other resulting in a spate of litigation both in India and the USA that are still ongoing.

On January 7, 2009, the then Chairman of Satyam vide his letter addressed to then existing Board of Directors of Satyam, the stock exchanges and SEBI admitted to several financial irregularities in Satyam. Consequent to a global bidding process to take over the management of Satyam, M/s Venturbay Consultants Private Limited (the successful bidder) took over the management of Satyam.

Notwithstanding the dispute, the Company under its erstwhile management, continued to accrue the sales commission in its books. The newly reconstituted Board approved the accounts of the Company for the years 2008-09, 2009-10 and 2010-11, with continued accrual of sales commission. This was based on a view taken by the newly constituted Board that the matter is sub-judice that was corroborated by legal opinion and continued as prudent measure.

During the meetings held in 2011-12, the Board discussed the need to accrue the sales commission, as Venture did not render any services to the Company either during the year or during the past many years since the dispute. Further, in so far as the Company was concerned, Venture had not, till that point of time, claimed any amounts towards sales commission. The Board also took note of the fact (based on an updated legal opinion) that the issue of sales commission is not a disputed matter before the Courts either in India or in USA and not sub judice, as per original view.

Under the circumstances, the Board took the view on May 14, 2012 when the financial statements for the year ended March 31, 2012 was tabled for approval, that the accrual of sales commission from FY 05-06 to FY 10-11 of ₹ 359,406,780 be written back as other income in the Statement of Profit and Loss and the sales commission for the period from April 2011- December 2011 be reversed. However, as a prudent measure, the Board directed that the Company provide an amount of ₹ 529,141,809 as a provision for contingency, covering the period from FY 05-06 to FY 11-12 which in its opinion would be adequate to cover any possible outflow that may arise in respect of the afore said matter and adjustments to the financial statements if any, to be made on final disposal of legal proceedings.

Subsequent to the adoption of accounts by the Board, the Company was served a suit filed by Venture before the City Civil Court, Secunderabad inter alia seeking a direction to the Company to pay sales commission that it was entitled to under the Shareholders Agreement. In the said suit, two ex-parte orders passed by the City Civil Court, in a suit filed by Venture before it, directing the Company, Venture and Satyam to maintain status quo with regard to transfer of 50% shares of Venture and with regard to taking major decisions which are prejudicial to interest of Venture were served on the Company. The Company has challenged the ex-parte orders of the City Civil Court Secunderabad, before the Hon’ble High Court of Andhra Pradesh (“the High Court”).

In a related development, the City Civil Court, Hyderabad set aside the Award in January 2012, against which Satyam has filed an appeal before the High Court.

The High Court by its Judgement dated August 23, 2013 has allowed the appeals filed by the Company and set aside the ex-parte interim orders against the Company. The High Court has also set aside the Order of the City Civil Court, Hyderabad setting aside the Award and upheld the Award in favour of Satyam. The High Court as an interim measure ordered status quo with regard to transfer of shares, originally given by Supreme Court to be maintained for four (4) weeks which was extended for a further period of 3 weeks by High Court on 19th September, 2013.

Venture filed an SLP before the Supreme Court of India which was heard by the Apex Court on 21st October, 2013 and Supreme Court as an interim measure ordered status quo with regard to transfer of shares. TechM has filed a Special leave Petition before the Supreme Court of India challenging the judgement of the High Court only on the limited issue as to whether the Civil Court has jurisdiction to entertain VGE's challenge to the Award. The said petition is pending before the Supreme Court.

The Company has not modified the the provision for contingencies amounting to ₹ 529,141,809 as on March 31, 2012. The Company has also disclosed an amount of ₹ 528,870,000 (March 31, 2014 ₹ 318,180,000) as contingent liability, to cover any possible charge that may arise in respect of the above said matter, in the financial statements for the period ended March 31, 2015 by way of abundant caution notwithstanding the Board's view that there is no need to accrue sales commission since Venture did not provide any services to the Company.

(in ₹)

	As at March 31, 2015	As at March 31, 2014
23. Capital and other commitments		
Capital Commitments	**28,750**	14,990,811

24. Preparation of financial statements:

"At the Annual General Meetings of the Company held on 29.10.2012, 10.09.2013 and 22.09.2014 one of the shareholders abstained from voting on the resolution for adoption of audited financial statements as at and for the year ended March 31, 2012,March 31, 2013 and March 31, 2014 respectively. In terms of Article 66 of the Articles of Association of the Company, the adoption of audited financial statements requires unanimous consent of both the shareholders of the Company. Therefore, the said financials have not been approved by the shareholders.

The financial statements as at and for the year ended March 31, 2015 have been drawn up incorporating the opening balances based on above said financial statements which have not been adopted by the Shareholders. Adjustments required, if any, will be made in accounts as and when determined."

25. Subsidiaries considered for consolidation

Name of the Entity	**Country of Incorporation**	**Proportion of Ownership Current Previous Year Year**
Satyam Venture Engineering Services (Shanghai) Co. Ltd	**China**	100% 100%
Satven GmbH	**Germany**	100% NA

26.

(in ₹)

Satyam Venture Engineering Services Pvt. Ltd.	**Net Assets i.e., Total Assets minus total liabilities**		**Shares in profit**	
	As a % of Consolidated net assets	**Amount ₹**	**As a % of Consolidated profit or loss**	**Amount ₹**
Parent	96%	679,730,546	76.74%	60,381,136
Subsidiaries - India	0%	-	%	-
Subsidiaries - Foreign	4%	30,630,529	23.3%	18,297,036
Minority Interest in all subsidiaries	0%	-	0%	-
Total	**100%**	**710,361,075**	**100%**	**78,678,172**

27. Segment Reporting

27.1. Business Segment: The Company has only one primary business segment viz., engineering services.

27.2. Geographic Segment: Revenue and segment assets attributable to location of customers is as follows.

Geographic Location	India	USA	Europe	Asia Pacific	South Africa
Revenue	25,431,974	1,385,026,489	537,116,562	224,996,352	1,764,895
	29,911,395	*1,045,269,299*	*537,374,522*	*241,276,343*	-
Segment Assets	1,146,407,639	227,292,233	98,433,106	26,998,913	-
	1,155,638,371	*146,259,582*	*91,453,757*	*2,420,476*	-
Additions to fixed Assets	5,990,839	346,817	6,823,384	137,803	-
	37,532,908	*43,855*	*105,501*	*32,426*	

Previous year figures are in italics

28. Related Party Transactions

28.1. List of related parties and relationships

a. **Joint Venture Partner**
Tech Mahindra Limited
Venture Global Engineering LLC

b. **Under control of Tech Mahindra Limited**
Tech Mahindra Technologies Inc.
Tech Mahindra BPO Limited
Satyam Computer Services (Shanghai) Co. Limited
Tech Mahindra GmbH
Tech Mahindra Foundation

c. **Holding Company of Tech Mahindra Limited**
Mahindra & Mahindra Ltd.,

d. **Under control of Venture Global Engineering LLC**
Jiangyin Venture Interior System
Millard design
Metro Tool & Die
Peguform
Venture Diversified Products
Candence Innovation
Venture Mould & Engg Co
Venture Otto South Africa (Prop) Ltd
Venture Auto Design(Shanghi)Co. Ltd

e. **Key Managerial Personnel**
Rao S Vadlamudi - Chief Executive Officer
Aradhana Rewatkar - Company Secretary

28.2 Related party transactions for the year ended March 31, 2015 are as follows:

(in ₹)

	As at March 31, 2015	As at March 31, 2014
Revenue		
Tech Mahindra Limited	**97,327,448**	104,860,879
Tech Mahindra Technologies Inc	**512,924,046**	434,394,841
Tech Mahindra GmbH	**102,097,956**	-
Venture Otto South Africa (Prop) Ltd	**1,717,398**	-
Venture Auto Design(Shanghi)Co. Ltd	**175,025**	-
Reimbursement - Compensation & Benefit		
Tech Mahindra Limited	**15,374,748**	31,243,618
Satyam Computer Services (Shanghai) Co. Limited	**-**	1,824,462
Tech Mahindra GmbH	**64,430,972**	7,871,273
Contribution made toward CSR Expenditure		
Tech Mahindra Foundation	**6,761,345**	-
Remuneration to key management personal	**8,845,518**	7,886,196
Debit balances outstanding as on March 31, 2015		
Tech Mahindra Limited	**7,718,394**	20,968,198
Tech Mahindra Technologies Inc	**168,033,070**	176,484,257
Tech Mahindra GmbH	**70,537,390**	17,786,440
Jiangyin Venture Interior Systems	**911,258**	842,369
Millard design	**318,164**	318,164
Metro Tool & Die	**198,687**	198,687
Peguform	**1,117,699**	1,117,699
Venture	**655,892**	629,935
Venture Diversified Products	**263,214**	246,116
Cadence Innovation	**555,487**	555,487
Venture Mould & Engg.Co	**(24,061)**	(23,169)
Venture Otto South Africa (Prop) Ltd	**29,376**	-
Mahindra & Mahindra Ltd	**3,812,709**	-

The remuneration to key management personal does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the company as a whole.

29. Auditors Remuneration

(In ₹)

	March 31, 2015	March 31, 2014
Statutory Audit fee	**750,000**	750,000
Tax Audit fee	**200,000**	200,000
Other Services	**634,834**	835,000
Total	**1584,834**	1,785,000

30. Earnings Per Equity Shares

		Year ended March 31, 2015	Year ended March 31, 2014
Net profit after tax	**In ₹**	**78,678,172**	117,082,522
Weighted average number of equity shares outstanding during the period	**In Nos.**	**7,088,960**	7,088,960
Face Value of Equity Shares	**In ₹**	**10.00**	10.00
Basic and Diluted Earnings per Share *	**In ₹**	**11.10**	16.52

* The Company has no dilutive instruments during the year ended March 31 2015.

(In ₹)

31. Earning and Expenditure in foreign currency

	Year ended March 31, 2015	Year ended March 31, 2014
Earnings in foreign exchange during the year : Sale of services	**2,148,904,298**	1,823,920,165
CIF value of imports : Capital goods	**16,851,537**	12,091,666
Expenditure incurred in foreign currency :		
Travelling Expenses	**58,557,893**	73,939,293
Expenditure incurred at overseas branches	**784,513,883**	626,303,874
Salary Re-imbursements	**14,732,990**	29,893,116
Subcontracting Charges	**63,321,865**	44,544,917

32. The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars		March 31, 2015 In foreign currency	March 31, 2015 In ₹	March 31, 2014 In foreign currency	March 31, 2014 In ₹
Sundry Debtors					
	USD	**5,675,578**	**354,695,250**	5,830,684	349,374,597
	Euro	**2,121,841**	**142,589,807**	1,370,453	112,966,400
	GBP	**27,062**	**2,501,665**	17,289	1,722,362
	JPY	**15,879,163**	**8,274,632**	6,394,638	3,731,271
	CND	**3,637**	**178,365**	3,637	97,272
	CNY	**2,497,153**	**25,170,803**	821,507	7,921,959
Cash and Bank Balances					
	USD	**933,494**	**58,338,734**	49,624	2,973,462
	Euro	**335,007**	**22,512,816**	436,034	35,942,246
	GBP	**2,971**	**274,628**	3,071	305,935
	JPY	**29,035,443**	**15,130,374**	2,880,085	1,680,530
	CNY	**763,025**	**7,691,136**	467,907	4,512,121
Other assets (Unbilled Revenue)					
	USD	**140,827**	**8,800,955**	4,86,100	29,127,114
	Euro	**189,609**	**12,741,883**	3,64,118	30.014,248
	JPY	**8,306,225**	**4,328,374**	14,27,101	832,714
	GBP	**6,696**	**618,998**	-	-
Loans and Advances					
	USD	**1,268**	**79,244**	-	-

Particulars		March 31, 2015		March 31, 2014	
		In foreign currency	In ₹	In foreign currency	In ₹
	Euro	**6,151**	**413,367**	-	-
	CNY			8,723	84,119
Trade Payables					
	USD	**1,620**	**101,242**	1,620	97,070
	Euro	**86,638**	**5,848,238**	100,205	8,259,930
	CNY	**330,000**	**171,963**		
	GBP	**23,259**	**2,150,136**	11,593	1,154,920
Other current liabilities					
	USD	**108,235**	**6,764,177**	1,098	65,782

33. Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

for and on behalf of the board

G Jayaraman
Director

V Venkata Kumar Raju
Director

Shivanand Raja
Director

M.V. Ramana Murthy
Partner

J Venkateswarlu
Director

C Subramanyam Reddy
Director

Rao S Vadlamudi
C.E.O.

Hyderabad, April 21, 2015

Srinivas R
AVP-Finance

Aradhana R
Company Sercretary

SATYAM VENTURE ENGINEERING SERVICES (SHANGHAI) CO., LTD.

Board of Directors

Mr. P V Krishna Kumar

Registered Office

Room B227, Block 4, No. 2118,

Guanghua Road,

Minhang District,

China

Bankers

HSBC Bank

Auditors

Shanghai Teamsoul Certified Public Accountants

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended December 31, 2014.

Financial Results

For the year ended December 31st, 2014	**2014 CNY**	**2014 INR**	2013 CNY	2013 INR
Income	**33,84,899**	**3,32,75,927**	1,383,432	12,661,498
Profit / (Loss) before tax	**3,87,466**	**38,09,062**	(193,854)	(1,774,200)
Profit/(Loss) after tax	**3,43,983**	**33,81,594**	(193,854)	(1,774,200)

Conversion Rate Used for 2013: CNY to INR= 9.152237

Conversion Rate Used for 2014: CNY to INR= 9.8307

Review of Operations:

During the year under review, your company recorded an income of CNY 33,84,899 (Equivalent to INR 3,32,75,927). Profit after tax was CNY 3,43,983 (Equivalent to INR 33,81,594). The Company continues to invest in strengthening its marketing infrastructure in China.

Directors:

During the year Mr. P V. Krishnakumar was a director on the Board.

Outlook for the current year:

Business has been encouraging in China and the Company is cautiously optimistic of the future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

P. V. Krishnakumar

Director

Shanghai, January 16, 2015

AUDITOR'S REPORT

To: All Shareholders of Satyam-Venture Engineering Services (Shanghai) Co.,Ltd.

We have audited the accompanying financial statements of Satyam-Venture Engineering Services (Shanghai) Co.,Ltd. (the Company) including the Balance Sheet as of December 31, 2014 and the Income Statement and Cash Flow Statement for the year from January 1, 2014 to December 31, 2014 then ended as well as the notes to these financial statements.

I. Responsibility of the Management for the Financial Statements

It is the responsibility of the Company's management to prepare these financial statements in accordance with the enterprise accounting standards and the "Enterprise Accounting System". This includes (1) designing, implementing and maintaining the internal control related to the preparing of the financial statements to avoid any material misstatement present in these financial statements due to malpractices or mistakes; (2) selecting and applying appropriate accounting policies; and (3) making reasonable accounting estimates.

II. Responsibility of Certified Public Accountant (s)

Our responsibility is to express the audit opinion on these financial statements based on our audit. We conducted our audit in accordance with the Auditing Standards for China Certified Public Accountants. Those standards require that we comply with the professional ethics, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit relates to the implementation of audit procedure with a view to obtain the audit evidences supporting the amounts and disclosures in the financial statements. The selection of the audit procedure depends on the discretion of the certified public accountant including the assessment on the risk of material misstatement present in the financial statements due to malpractices or mistakes. During the risk assessment, we considered the internal control related to the preparing of the financial statements to design an appropriate audit procedure rather than express any opinion on the effectiveness of internal control. An audit also includes assessing the adequacy of accounting principles used and the rationality of accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidences obtained by us are sufficient and adequate, and which provide a reasonable basis for our audit opinion.

III. Audit Opinion

In our opinion, the financial statements of the Company have been prepared in accordance with the enterprise accounting standards and the "Enterprise Accounting System", present fairly, in all material respects, the financial position of the Company as of December 31, 2014, and the results of its operations and cash flow for the year from January 1, 2014 to December 31, 2014 then ended.

Shanghai TeamSoul CPAs **China Certified Public Accountant:**

China Certified Public Accountant:

Shanghai, China January 16, 2015

BALANCE SHEET FOR YEAR 2014

KWNQ Form 01
Amount Unit: CNY

ITEM	LINE	ENDING BALANCE	BEGINNING BALANCE	ITEM	LINE	ENDING BALANCE	BEGINNING BALANCE
CURRENT ASSETS:	1	—	—	**CURRENT LIABILITIES:**	47	—	—
Monetary assets	2	1,058,336.17	904,627.68	Short-term loan	48		
Short-term investments	3			Notes payable	49		
Notes receivable	4			Accounts payable	50	380,070.32	77,130.32
Dividend receivable	5			Prepayment From Customers	51	59,698.80	
Interest receivable	6			Accrued wages	52	23,517.50	152,922.59
Accounts receivable	7	672,989.92	7,004.00	Welfare payable	53		
Advances to Suppliers	8			Inside: bonus & welfare of employee	54		
Advances to Suppliers	9			Dividend payable	55		
Deposit of futures	10			Interest payable	56		
Accrued allowance	11			Tax payables	57	112,755.18	16,941.35
Export return tax receivable	12			Inclu: tax payable	58	2,517.19	
other receivable	13	42,362.65	129,895.94				
	14						
Inventories	15			Other payable	59	57,180.52	
Including: raw material	16			Accrued expense	60		
Finished products	17			Perceivable liabilities	61		
	18						
Other current assets	19			Deferred income	62		
TOTAL CURRENT ASSETS	20	1,773,688.74	1,041,527.62	Long-term liability due within one year	63		
	18			Other current liabilities	64		
LONG TERM INVESTMENTS	19			**TOTAL CURRENT LIABILITIES**	65	633,222.32	246,994.26
Long-term share investments	20			**LONG TERM LIABILITIES:**	66	—	—
Long-term investment of bonds	21			Long term loans	67		
* Price differenc of merge	22			Bonds payable	68		
	23			Long term other payable	69		
TOTAL LONG TERM INVESTMENTS	24			Special payable	70		
FIXED ASSETS:	25			Other long-term liabilities	71		
Fixed assets-cost	26	6,500.00	6,500.00		72		
Less: Accumulated depreciation	27	2,925.00	975.00		73		
Fixed assets-net value	28	3,575.00	5,525.00	DEFERRED TAX:	74		
Less: Provision for loss on fixed-assets	29			Deferred tax credit items	75		
Net value of fixed-assets	30	3,575.00	5,525.00	**TOTAL LONG TERM LIABILITIES**	76	0.00	0.00
Construction materials	31			**TOTAL LIABILITIES**	77	633,222.32	246,994.26
Construction in progress	32			**OWNERS' EQUITY:**	78		
Disposal of fixed assets	33			Paid-in capital	79		
	34			Investment of Chinese (None RMB____)	80		
	35			Investment of Foreign (None RMB____)	81	992,650.93	992,650.93
TOTAL FIXED ASSETS	36			Less: returned investment	82		
INTANGIBLE AND OTHER ASSETS:	37			Net Paid-in capital	83	992,650.93	992,650.93
Intangible assets	38			Capital surplus	84	1,261.64	1,261.64
Long-term deferred and prepaid expenses	39			Surplus reserves	85		
Other Long-term assets	40			Inside: Legal surplus	86		
The deferred income tax assets	41			Legal accumulated	87		
TOTAL INTANGIBLE AND OTHER ASSETS	42	3,575.00	5,525.00	Surplus reserves at wish	88		
DEFERRED TAX	43			Reserved fund	89		
Deferred tax debit items	44			Enterprise developing fund	90		
	45			Profit return for investment	91		
				* Unconfirmed loss of investment ("-")	92		
				Undistributed profit	93	150,128.85	-193,854.21
				Discount difference of foreign currency statement	94		
				TOTAL OWNERS' EQUITY	95	1,144,041.42	800,058.36
				Less: loss of asset	96		
				TOTAL OWNERS' EQUITY (except the loss of assets)	97	1,144,041.42	800,058.36
TOTAL ASSETS	46	1,777,263.74	1,047,052.62	TOTAL LIABILITIES AND OWNERS' EQUITY	98	1,777,263.74	1,047,052.62

PROFIT STATEMENTS FOR YEAR 2014

KWNQ Form 02

Amount Unit: CNY

ITEM	Line	Current Year	Last Year		ITEM	Line	Current Year	Last Year
I. Total Business Income	1	3,384,899.20	1,383,432.00		Add: Gain from change of fair value	20		
Business Income	2	3,384,899.20	1,383,432.00		Investment Gain	21		
Inside: Main Business Income	3	3,384,899.20	1,383,432.00		Include: Gain from Joint-venture	22		
Other Business Income	4				**III. Profit from Business Operation**	23	381,027.68	-193,749.60
II. Net Business Cost	5	3,003,871.52	1,577,181.60		Add: (1) Non-Business revenue	24	6,471.74	
Include: (1) Businese cost	6	302,940.00	0.00		include: Gain from disposal of Non-current assets	25		
Inside: Main Business Cost	7	302,940.00			Gain fron Non-monetary transaction	26		
Other Business Cost	8				Allowance	27		
(2) Operation tax and additional	9	58,990.19	3,338.60		Gain from Liability re-arrangement	28		
(3) Operation expense	10	2,156,732.82	1,276,330.83		Less: Non-Operation expenditure	29	33.72	104.61
(4) Administration expense	11	484,906.15	279,424.69		Include: Loss from disposal of Non-current Assets	30		
Inside: Entertainment fee	12				Loss from Non-Monetary Transaction	31		
Study and development fee	13				Loss from Liability re-arrangement	32		
(5) Financial expense	14	302.36	18,087.48		**IV. Profit before Tax**	33	387,465.70	-193,854.21
Inside: Interest payout	15				Less: Income Tax	34	43,482.64	
Interest income	16				Add: Unconfirmed Investment Loss	35		
Net loss of exchange	17				**V. Net Profit**	36	343,983.06	-193,854.21
(5) Impairment of Assets	18				Less: Gain or loss of minor stock holders	37		
(6) Others	19				**VI. Net Profit Belongs To Mother Company**	38	343,983.06	-193,854.21

CASH FLOW STATEMENT FOR YEAR 2014

KWNQ Form 03
Amount Unit: CNY

ITEM	LINE	Current Year	Last Year	ITEM	LINE	Current Year	Last Year
1. Cash Flows from Operating Activities:	1	—	—	Cash paid to acquire subsidiary	21		
Cash received from sales of goods or rendering of services	2	2,382,065.11	1,572,191.60	Other cash paid relating to investing activities	22		
Refund of Taxes	3			**Sub-total of cash outflows**	23	-	6,500.00
Other cash received relating to other operating activities	4	136,495.45		**Net cash flows from investing activities**	24	-	-6,500.00
Sub-total of cash inflows	5	2,518,560.56	1,572,191.60	**3. Cash Flows from Financing Activities:**	25	—	—
Cash paid for goods and services	6	-		Proceeds from received investment	26		790,946.52
Cash paid to and on behalf of employees	7	1,421,717.59	703,378.44	include proceeds of investment by minor shreholder	27		
Cash paid for all type of taxes	8	253,850.86	43,154.02	Proceeds from borrowing	28		
Cash paid relating to other operating activities	9	689,283.62	908,444.03	Other proceeds relating to financing activities	29		
Sub-total of cash outflows	10	2,364,852.07	1,654,976.49	**Sub-total of cash inflows**	30	-	790,946.52
Net cash flows from operating activities	11	153,708.49	-82,784.89	Cash repayments of amounts borrowed	31		
2. Cash Flows from Investing Activities:	12	—	—	Cash payments for distribution of dividends, profits or interest expense	32		
Cash received from return of investments	13			include: dividend interest	33		
Cash received from distribution of investments	14			Other cash payment relating to financing activities	34		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	15			**Sub-total of cash outflows**	35		
Net cash received from disposal of Subsidiaries	16			**Net cash flow from financing activities**	36	-	790,946.52
Other cash received relating to investing activities	17			**4. Effect of Foreign Exchange Rate Changes on Cash**	37		
Sub-total of cash inflows	18	-	-	**5. Net Increase in Cash and Cash Equivalents:**	38	153,708.49	701,661.63
Cash paid to acquire fixed assets, intangible assets and other long-term assets	19		6,500.00	**6. Cash equivalents at the beginning of the period**	39	904,627.68	202,966.05
Cash paid to acquire investments	20			**7. Cash equivalents at the end of period**	40	1,058,336.17	904,627.68

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

I. Company Profile

Satyam-Venture Engineering Services (Shanghai) Co.,Ltd.(the Company) was invested and incorporated by SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED,and obtained the "Business License for Enterprises as Legal Persons" (Registration No.: 310000400682585 (Minhang)) on May 15, 2012. The registered capital of the Company is USD160,000.00; the registered address of the Company is Room B227, Block 4,No.2118,Guanghua Road Minhang District; and PULAVARTHI VENKATA KRISHNAKUMAR is the legal representative of the Company.

Subject to the approval of the administration of industry and commerce, the Company is principally engaged in technical consultation, technological development,technical transformation ,automotive software development and technical services in the field of Automotive Engineering,And, develop and sale motorsoftware products.(operate with license as required).

II. Principal Accounting Policies

Accounting System

These financial statements have been prepared by the Company in accordance with the "Enterprise Accounting Standards" .

Accounting Year

Calendar year from January 1 to December 31

Valuation Basis

The Company makes accounting recognition, measurement and report on the accrual basis.

Basis of Measurement

The elements of financial statements are measured by the Company on the basis of historical cost generally; and special notes will be given by the Company in the case of measurement on the basis of replacement cost, net realizable value, present value or fair value.

Recording Currency and Foreign Currency Translation

CNY is used by the Company as the recording currency. Transactions denominated in foreign currencies are stated after being translated into CNY at the market reference exchange rates promulgated by the People's Bank of China prevailing on the date on which the transactions took place, the balance in all foreign currency accounts and settlement accounts will be translated into CNY at the market reference exchange rates prevailing at the end of period, and the exchange gain or loss thus occurred will be taken to "Financial Expenses – Exchange Gain or Loss" other than those occurred during the establishment period which shall be taken to "Long-term Prepaid Expenses – Establishment Charge".

Recognition of Cash Equivalents

Investments held by the Company with short term, strong liquidity and less risk of value change which are easily converted into cash with known amount are recognized as cash equivalents.

Accounting Method for Bad Debts

The Company accounts bad debt loss by using allowance method, and makes provision for bad debts by using specific identification method.

The accounts receivable (1) that cannot be recovered due to the bankruptcy or death of the debtor after the liquidation of such debtor's property or legacy, or (2) that cannot be recovered as a result of the debtor's delay in performing its obligation of debt redemption over three years are recognized as bad debts.

Inventories

Inventories refer to the materials or goods held by the Company in the process of production and operation for sale or to be consumed in the process of production or rendering of service, including products in process and commodity stocks.

Accounting method for inventories: The inventories are measured at their actual costs at acquisition, including procurement costs, processing costs and other costs. The actual costs of delivered inventories are determined using first-in first-out method at delivery of inventories.

The perpetual inventory method is used by the Company as its inventory system. The Company checks inventories regularly, the gain from inventory profit and loss from inventory shortage are taken to the Profit and Loss of the current period.

Provision for Impairment of Inventories

At the end of the year, the provision for impairment of inventories is made or adjusted at the costs or net realizable value of inventories whichever is lower. The provision for impairment of inventories is made upon the single item of inventories.

Fixed Assets and Their Depreciation

Fixed assets refer to the tangible assets held for the purpose of producing products, rendering service, leasing or operating management with the useful life over one accounting year if it is probable that their associated economic benefits can flow to the enterprise and their costs can be measured reliably.

Fixed assets are measured initially at their costs. The Company makes depreciation for all fixed assets other than those to be used continuously after being depreciated fully and the land which will be valuated and stated separately. The depreciation is made using the straight line method.

The type, estimated useful life, estimated net residual value and annual depreciation rates of fixed assets of the Company are defined as follows:

Type of Assets	Estimated Useful Life (year)	Estimated Net Residual Value	Annual Depreciation Rate
Electronic equipment	3	10%	30%

Provision for Impairment of Fixed Assets

At the balance sheet date, the fixed assets are valuated at the lower of their book value or recoverable amount. In case the recoverable amount is lower than the book value, the book value of fixed assets is written down to the recoverable amount, and the write-down amount is recognized as the loss of impairment of assets and taken to the Profit and Loss of the current period while the provision for impairment of fixed assets is made accordingly. The loss of impairment of fixed assets will not be carried back in subsequent accounting periods once it has been recognized.

Long-term Prepaid Expenses

The long-term prepaid expenses of the Company refer to expenses that have been disbursed and will be amortized after normal production and operation over one year, mainly including establishment charge and costs of tools and appliances with useful life over one year. Other than establishment charge which is taken to Profit and Loss in a lump in the starting month of production and operation, all long-term prepaid expenses are amortized evenly within the estimated beneficial period, and taken to the Profit and Loss of each amortization period.

Revenues

1. Sale of Goods

   The revenues from sale of goods are recognized at the received or receivable contractual prices from the buyer when (1) the Company has transferred the significant risks and rewards of ownership of the goods to the buyer; (2) retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (3) the amount of revenues can be measured reliably; (4) it is probable that the economic benefits associated with the transaction can flow to the Company; and (5) the relevant costs incurred or to be incurred can be measured reliably.

2. Rendering of Service

   The revenues from rendering of service is recognized using percentage of completion method when the results of rendering of service can be estimated reliably at the balance sheet date.

3. Transfer of the Right to the Use of Assets

   The revenues from transfer of the right to the use of assets are recognized by the Company when the economic benefits associated with such transfer can flow to the Company and the amount of revenue can be measured reliably.

Interest income is computed and determined according to the time of using cash & cash equivalents and the applicable interest rate. The amount of income from charge for use is computed and determined according to the time and method agreed in the relevant contract or agreement.

Income Tax

The income tax of the Company is accounted using tax payable method.

III. Taxes

Value added tax: The value added tax rate applicable to the Company in this year is 6%.

Business tax	:	The business tax rate applicable to the Company in this year is 5%.
Income tax	:	The income tax rate applicable to the Company in this year is 20%.
Urban construction tax	:	The Urban construction tax rate applicable to the Company in this year is 1%.
Education surcharge	:	The Education surcharge rate applicable to the Company in this year is 5%.
River course fee	:	The River course fee rate applicable to the Company in this year is 1%.

IV. Notes to the main items of the financial statements

Unless otherwise indicated, the currency unit is CNY.

1. Cash & Cash Equivalents

As at December 31, 2014, the balance of Cash & Cash Equivalents is CNY 1,058,336.17:

Item	Book balance at end of year	Book balance at beginning of year
Cash	0.00	0.00
Cash in bank	1,058,336.17	904,627.68
Total	1,058,336.17	904,627.68

2. Accounts receivable

As at December 31, 2014, the balance of accounts receivable is CNY 672,989.92, and has no record the provision for bad debts. The aging of accounts receivable is analyzed below:

Aging	Book balance at end of year	
	Amount	%
Within 1 year	665,985.92	98.96%
1-2 years	7,004.00	1.04%
Total	672,989.92	100.00%

3. Other receivable

As at December 31, 2014, the balance of other receivable is CNY 42,362.65. The aging of other receivable is analyzed below:

Aging	Book balance at end of year	
	Amount	%
Within 1 year	42,362.65	100%
Total	42,362.65	100%

4 Fixed Assets:

Net Value on December 31, 2014 is CNY 3,575.00, Breakdown is listed as follows:

Item	Opening Balance	Increase in Current Period	Decrease in Current Period	Closing Balance
Original value				
Electronic equipment	6,500.00	0.00	0.00	6,500.00
Sub-total	6,500.00	0.00	0.00	6,500.00
Accumulated Depreciation				
Electronic equipment	975.00	1,950.00	0.00	2,925.00
Sub-total	975.00	1,950.00	0.00	2,925.00
Net Value	5,525.00			3,575.00

5. Accounts Payable

As at December 31, 2014, the balance of accounts payable is CNY 380,070.32. The aging of accounts payable is analyzed below:

Aging	Book balance at end of year	
	Amount	%
Within 1 year	302,940.00	79.71%
1-2 years	77,130.32	20.29%
Total	380,070.32	100.00%

The major customers are as follows:

The list of units	Amount
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	380,070.32

6. Prepayment From Customers

As at December 31, 2014, the balance of prepayment from customers is CNY 59,698.80. The aging of prepayment from customers is analyzed below:

Aging	Book balance at end of year	
	Amount	%
Within 1 year	59,698.80	100.00%
Total	59,698.80	100.00%

7. Other payable

As at December 31, 2014, the balance of other payable is CNY 57,180.52. The aging of other payable is analyzed below:

Aging	Book balance at end of year	
	Amount	%
Within 1 year	57,180.52	100.00%
Total	57,180.52	100.00%

8. Tax Payable

As at December 31, 2014, the balance of tax payable is CNY 112,755.18. The detail is as follows:

	Book balance at end of year
Value added tax	41,953.22
Income tax	43,482.64
City building duty	419.53
Educational expenses to add	2,097.66
River fee	419.53
The individual income tax	24,382.60
Total	112,755.18

9. Paid-in Capital

As at December 31, 2014, the balance of Paid-in Capital is USD160,016.36, (Equivalent to CNY: 993,912.57)

Investor	Book balance at end of year	%
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	993,912.57	100.00%
Total	993,912.57	100.00%

The above investment has been verified by the Capital Verification Report (HCLKSWYZ No. 129[2012]) issued by SHANGHAI CHUANLI CERTIFIED PUBLIC ACCOUNTANTS and (HTZWYZ No. 1075[2013]) issued by SHANGHAI TEAMSOUL CERTIFIED PUBLIC ACCOUNTANTS .

10. Undistributed Profits

Undistributed profits at the end of last year	-193,854.21
Plus: Increased this year	343,983.06
Less: Decreased this year	
Undistributed profits at the end of the year	150,128.85

11. Operating Income & Operating Cost

Detailed as follows:

Item	Actual this year	
	Operating income	Operating cost
Total	3,384,899.20	302,940.00

12. Operating Expenses

Item	Amount at current year
Wages	1,794,124.76
External costs	189,178.14
Courier	3,318.00
Consulting services	2,819.00
Fare	1,479.00
Business promotion expenses	154,963.92
Other	10,850.00
Total	2,156,732.82

13. Management fees

Item	Amount at current year
Office expenses	10,831.00
Travel	209,971.22
Communication costs	5,913.12
Employee benefits expenditures	103,982.23
Consultancy fee	95,258.58
Auditing and inspection charges	24,000.00
Bookkeeping agency fee	33,000.00
Depreciation expense	1,950.00
Total	484,906.15

14. Finance charges

Bank charges	2,325.10
Interest return	1,966.43
Exchange gain or loss	-56.31
Total	302.36

V Affiliated party's relationship and transaction:

1 Affiliated party relations

Affiliated party's name	Affiliated party's nature
SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	hold the company's100.00% interest
PULAVARTHI VENKATA KRISHNAKUMAR	the legal representative of the Company

2 The affiliated party transactions

SATYAM VENTURE ENGINEERING SERVICES PRIVATE LIMITED	accounts payable 380,070.32

VI. Other Notifications:

1 The plan of profit sharing & stock bonus :

there is no procedure as per the local laws for share allotment and issue of share certificates to the shareholders. Company's profit is distributed as per the company's articles of association.

2 The company has no major subsequent events, contingent loss and contingent liability till the end of this quarter.

Satyam-Venture Engineering Services (Shanghai) Co.,Ltd.

January 16, 2015

Satven GmbH

Board of Directors

Mr. Vadlamudi Srinivasa Rao

Registered Office

Leopoldstr.

244, 80807 Munchen

Bankers

HSBC

Auditors

Christoph Sieger

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2015.

Financial Results

For the year ended March 31st, 2015	**2015 EURO**	**2015 INR**	2014 EURO	2014 INR
Income	**51,623**	**40,02,033**	NIL	NIL
Profit / (Loss) before tax	**1,138**	**88,227**	NIL	NIL
Profit/(Loss) after tax	**738**	**57,217**	NIL	NIL

Conversion Rate Used: EURO to INR= 77.5245

Review of Operations:

During the year under review, your company recorded an income of EURO 51,623 (Equivalent to INR 40,02,033). Profit after tax was EURO 738 (Equivalent to INR 57,217). The Company continues to invest in strengthening its marketing infrastructure in Germany.

Directors:

During the year Mr. Rao S. Vadlamudi was a director on the Board.

Outlook for the current year:

Business has been encouraging in Germany and the Company is cautiously optimistic of the future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Vadlamudi Srinivasa Rao
Director

April 18, 2015

Auditor’s Certificate for Satven GmbH, Munich

I have audited the annual financial statements- Tested to 31 March 2015, including the accounting and the management report of satven GmbH, Munich, for the short financial year August 18, 2014 to March 31, 2015 comprising the balance sheet, profit and loss statement and notes. The accounting and the preparation of annual financial statements in accordance with German commercial law are the responsibility of the company’s management. My responsibility is to express an opinion on the basis of my audit, on the financial statements, including the accounting and management report.

I conducted our audit in accordance with 317 HGB promulgated by the Institute of Chartered Accountants (IDW) and German generally accepted auditing standards. Those standards require that I plan and perform that misstatements materially affecting the presentation of operations in the annual financial statements in accordance with generally accepted accounting and in the management report of the assets, financial position and results, with reasonable assurance be detected. In the determination of the audit procedures knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account. During the audit, the effectiveness of the accounting related internal control system and the evidence supporting the disclosures in the annual financial statements and management report are examined primarily on test basis. An audit also includes assessing the accounting principles used and significant estimates made by management. I believe that my audit provides a reasonable basis for my opinion.

My audit has not led to any reservations.

In my opinion, based on the findings of my audit, the financial statements comply with the legal requirements and give attention to the proper accounting give a true and fair view of the net assets, financial position and results of operation.

Pullach, April 18, 2015
(Christoph Sieger)
Chartered Accountant

Satven GmbH

Balance sheet as of March 31, 2015

EQUITY AND LIABILITIES

			31.03.2015 EUR
A.	**EQUITY**		
	I.	Subscribed capital	**25,000.00**
	II.	Profit of the year	**738.05**
			25,738.05
B.	**ACCRUALS**		
	1.	Tax accruals	**400.00**
	2.	Other accruals	**13,150.00**
			13,550.00
C.	**LIABILITIES**		
	1.	Trade payables - of which with a maturity of up to one year Eur 392.37	**392.37**
	2.	Liabilities to affiliated companies - of which with a maturity of up to one year Eur 1055.96	**1055.96**
	3.	Other liabilities - of which for taxes Eur 8425.50 of which with a maturity of up to one year Eur 8980.50	**8980.5**
			10428.83
			49,716.88

ASSETS

CURRENT ASSETS

	II.	Cash	**49,716.88**
			49,716.88

Profit and Loss statement for the period August 18, 2014 to March 31, 2015

		2014/2015	
		EUR	EUR
1.	**Sales**		**51,622.82**
2.	**Personnel expenses**		
	a) Wages and salaries	**29,085.33**	
	b) Social security and pension expenses	**3,422.27**	
			32,507.60
3.	**Other operating expenses**		**17,977.17**
4.	**Result of ordinary activities**		**1,138.05**
5.	**Taxes on income**		**400.00**
6.	**Net income for the year**		**738.05**

Notes to the financial statements August 18, 2014 to March 31, 2015

A. General Information

The financial statements of March 31, 2015 were prepared according to the accounting regulations of the Commercial Code and the Limited Liability Company Act.

For the profit and loss statement the cost categories oriented format has been chosen.

Satven GmbH is a very small corporation according to Sect. 267a para.1 commercial code. The relieves for small corporations according to Sect. 288 commercial code have partially been used. Prior year numbers are not available as the company has been established on August 18, 2014 only.

B. Accounting and Valuation Principles

The Cash has been accounted at face value.

The accruals are shown with redemption amount and recognize all risks and contingent liabilities at the balance sheet date with the settlement amount, which needed under reasonable business judgment.

The liabilities are valuated with their redemption amount. There is no liability with a maturity of more than five years.

C. Information

The managing director in the financial year 2014/2015 was Mr.Srinivasa Rao Vadlamudi.

TECH MAHINDRA SERVICOS DE INFORMATICA LTDA

Legal Representative and Country Manager

Mr. Antonio Alberto Rosati

Registered Office

CENESP (Centro Empresarial de São Paulo)
Avenida Maria Coelho Aguiar, 215 5º Andar
Bloco C – Jardim São,
Sao Paulo, Brazil.

Bankers

Citi Bank
Banco ITAU

Auditors

Padrao Auditoria S/S Brazil

A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil

INDEPENDENT AUDITOR´S REPORT ON FINANCIAL STATEMENTS

To

Shareholders, Board of Directors and Officers

Tech Mahindra Serviços de Informática Ltda. (formerly Satyam Serviços de Informática Ltda.)

São Paulo - SP

We have audited the accompanying individual and consolidated financial statements of Tech Mahindra Serviços de Informática Ltda. (formerly Satyam Serviços de Informática Ltda.) ("Company"), which comprise the balance sheet as at March 31, 2014, and the related income statement, statement of changes in equity and cash flow statement for the period of three months, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such, internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Those standards require that we comply with ethic requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the aforesaid individual and consolidated financial statements present fairly, in all material respects, the financial position of Tech Mahindra Serviços de Informática Ltda. as at March 31, 2014 and its financial performance and cash flows for the period of three months, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the accounting practices adopted in Brazil.

São Paulo, April 23, 2014.

PADRÃO AUDITORIA $^{S}/_{S}$

CRC-2SP 016.650/O-7

YUKIO FUNADA

Contador CRC 1 SP 043.351/O-8

A free translation from Portuguese into English of Financial Statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil

BALANCE SHEETS MARCH 31, 2014 AND DECEMBER 31, 2013

(In Thousands of Reais)

	Note	Individual		Consolidated	
		31.03.2014	31.12.2013	**31.03.2014**	31.12.2013
ASSETS					
CURRENT ASSETS		**5,371**	5,701	**21,679**	18,129
Cash and cash equivalents	4	**582**	1,075	**833**	1,464
Trade accounts receivable	5	**3,895**	3,827	**18,991**	15,563
Taxes recoverable		**770**	702	**1,087**	974
Prepaid expenses		**-**	1	**-**	1
Other receivables		**124**	96	**768**	127
NON-CURRENT ASSETS		**19,895**	19,900	**14,735**	16,290
Related parties	8	**3,515**	4,851	**1,716**	3,162
Property & equipment		**82**	61	**206**	190
Intangible assets	6	**10,739**	10,739	**12,769**	12,893
Investments	7	**5,515**	4,204	**-**	-
Other receivables		**44**	45	**44**	45
TOTAL ASSETS		**25,266**	25.601	**36,414**	34,419
LIABILITIES AND EQUITY					
CURRENT		**6,260**	6,735	**14,844**	11,114
Trade accounts payable		**3,426**	2,157	**4,647**	3,111
Salary and social charges		**1,002**	709	**4,550**	3,957
Taxes liabilities		**223**	245	**433**	474
Loans and financing		**-**	-	**3,606**	-
Related parties	8	**439**	1,913	**439**	1,913
Provisions		**1,143**	1,711	**1,143**	1,644
Other liabilities		**27**	-	**26**	15
NON-CURRENT LIABILITIES		**-**	-	**2,564**	4,439
Related parties	8	**-**	-	**2,564**	4,439
EQUITY	9	**19,006**	18,866	**19,006**	18,866
Capital		**19,685**	19,685	**19,685**	19,685
Retained losses		**(679)**	(819)	**(679)**	(819)
TOTAL LIABILITIES AND EQUITY		**25,266**	25,601	**36,414**	34,419

See accompanying notes.

INCOME STATEMENTS PERIOD OF THREE MONTHS AS OF MARCH 31, 2014 AND 2013

(In Thousands of Reais)

	Note	Individual		Consolidated
		31.03.2014	31.03.2013	**31.03.2014**
			(Not audited)	
Net operating revenue		**5,312**	2,849	**21,849**
Cost of services rendered		**(5,997)**	(2,991)	**(20,842)**
Gross profit		**(685)**	(142)	**1,007**
Operating income (expenses)				
General and administrative expenses		**(633)**	(616)	**(986)**
Equity method results	7	**1,310**	-	**-**
Other operating income		**45**	868	**45**
		722	252	**(941)**
Financial result				
Financial income		**270**	4	**312**
Financial expenses		**(167)**	(18)	**(238)**
		103	(14)	**74**
Income before income and social contribution taxes		**140**	96	**140**
Net income for the period		**140**	96	**140**
Earnings per unit of interest – R$	13	**0.007**	0.056	**0.007**

The Company has no other comprehensive income.
See accompanying notes.

STATEMENTS OF CHANGES IN EQUITY MARCH 31, 2014

(In Thousands of Reais)

EVENTS	CAPITAL	RETAINED LOSSES	TOTAL
Balances at 31.12.2013	19,685	(819)	18,866
Net income for the period	-	140	140
Balances at 31.03.2014	**19,685**	**(679)**	**19,006**

See accompanying notes.

CASH FLOW STATEMENTS PERIOD ENDED AT MARCH 31, 2014

(In Thousands of Reais)

	Individual		Consolidated
	31.03.2014	31.03.2013	31.03.2014
		(Not audited)	
Cash flow from operating activities			
Income before income and social contribution taxes	**140**	96	**140**
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities:			
Depreciation and amortization	**3**	1	**131**
Decrease (increase) in assets:			
Trade accounts receivable	**(68)**	(931)	**(3,428)**
Taxes recoverable	**(68)**	(42)	**(113)**
Prepaid expenses	**1**	(11)	**1**
Other receivables	**(27)**	(19)	**(640)**
Related parties	**1,336**	(3)	**1,446**
Increase (decrease) in liabilities:			
Trade accounts payable	**1.269**	518	**1,536**
Taxes payable	**271**	165	**552**
Related parties	**(1,474)**	-	**(3,349)**
Provisions	**(568)**	(205)	**(501)**
Other liabilities	**27**	8	**11**
Net cash provided by operating activities	**842**	(423)	**(4,214)**
Cash flow from investing activities			
Fixed asset and intangible purchases	**(24)**	(5)	**(23)**
Investments	**(1,311)**	-	**-**
Net cash used in investing activities	**(1,335)**	(5)	**(23)**
Cash flow from financing activities			
Increase (decrease) in loans and financing	**-**	(47)	**3,606**
Net cash provided by financing activities	**-**	(47)	**3,606**
Increase (decrease) in cash and cash equivalents	**(493)**	(475)	**(631)**
Cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	**1,075**	475	**1,464**
Cash and cash equivalents at the end of the period	**582**	-	**833**

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS PERIOD THREE MONTHS ENDED AT MARCH 31, 2014

(In Thousands of Reais)

1. Operations

Tech Mahindra Serviços de Informática Ltda. (formerly Satyam Serviços de Informática Ltda.) ("Tech Mahindra" or "Company") is a limited company and primarily engaged in rendering consulting services related to information technology, implementation of projects and selling software. The Company is located in São Paulo city.

On May 02, 2013, the Company acquired 51% of Complex IT Solution Consultoria em Informática S.A. shares.

2. Basis for preparation and presentation of financial statements

Authorization to complete these financial statements was given at the General Meeting held on April 23, 2014.

The financial statements were prepared in accordance with several assessment bases used in the accounting estimates. Accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors, and in line with management's judgment to determine the appropriate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include selection of useful lives of property and equipment and their recoverability on operations in operations, measurement of financial assets at fair value and under the present value method, credit risk analysis to determine the allowance for doubtful accounts, as well as other risk analysis to determine other provisions, including provision for contingencies.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probability treatment inherent to the estimation process. The Company reviews its estimates and assumptions at least once a year.

The financial statements were prepared in accordance with accounting practices adopted in Brazil, which comprise the Brazilian Corporation Laws, the standards issued by the Brazilian Securities and Exchange Commission (CVM), and pronouncements, interpretations and guidance issued by the Brazilian FASB (CPC), as well as in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3. Summary of significant accounting practices

3.1. Translation of foreign currency-denominated balances

3.1.1 Functional and reporting currency

The Company's functional currency is the Brazilian real, same currency for preparation and presentation of the financial statements.

3.1.2 Transactions denominated in foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency (Real) using the exchange rate of balance sheet date. Gains and losses resulting from the restatement of these assets and liabilities due to exchange rate variation between transaction date and year end are recognized as financial income or financial expenses in the income statement.

3.2. Revenue recognition

Revenues are stated on the accrual basis of accounting. Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and when it can be reliably measured.

3.3. Taxation

3.3.1. Sales taxes

Sales and service revenues are subject to the taxes and social contributions below, at the following statutory rates:

- Social Contribution Tax on Gross Revenue for Social Integration Program (PIS) 0,65%;
- Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS) 3,0%;
- Service tax (ISS) – 0,5% à 5%.

3.3.2. Current income and social contribution taxes

Taxable profit comprises income and social contribution taxes. Income tax is calculated at a rate of 15%, plus a surtax of 10% on taxable profit exceeding R$ 240 over 12 months, whereas social contribution tax is computed at a rate of 9% on taxable profit, both recognized on an accrual basis; therefore additions to book income of temporarily nondeductible expenses or exclusions of temporarily non-taxable income upon determination of current taxable profit generate deferred tax assets or liabilities.

Prepaid or recoverable taxes are stated in current or non-current assets, according to the forecast of realization thereof.

3.4. Cash and cash equivalents

These include cash, bank account balances and short-term investments redeemable within 90 days from the transaction dates, subject to insignificant risk of change in their market value. Short-term investments included in cash equivalents are mostly classified as "financial assets at fair value through profit or loss".

3.5. Property & equipment

These are recorded at acquisition cost. Depreciation of assets is calculated on a straight-line basis and takes into consideration the estimated economic useful lives of assets.

A property and equipment item is written off when sold or when no future economic benefit is expected to arise from its use or sale. Gains or losses arising from derecognition of an asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the statement of income in the year which the asset is derecognized.

The net book value and useful lives of the assets and the depreciation methods are reviewed at year end, and adjusted prospectively, when applicable.

After calculating net book value of property and equipment for financial statement purposes, the Company determines whether it is necessary to recognize additional loss of property and equipment value aggregated with other assets, such as investments and intangible assets in cash-generating units.

Due to changes in Brazilian accounting practices on the path to full convergence with international standards, first-time adopters of Accounting Pronouncements CPC 27 (IAS 16) and CPC 28 (IAS 40) may elect to make adjustments to their opening balances similarly to those allowed by international financial reporting standards, using the deemed cost concept as provided for in CPC 37 (IFRS 1) and CPC 43.

3.6. Intangible assets

Intangible assets acquired separately are measured at cost upon their initial recognition. After initial recognition, intangible assets are stated at cost, less accumulated amortization and impairment. Intangible assets are represented by temporary goodwill related to acquisition of 51% of Complex IT Solution Consultoria em Informática S.A. shares and software.

The useful life of intangible assets is considered finite or indefinite.

Finite intangible assets are amortized over their economic useful lives and are tested for impairment whenever there is any indication of impairment loss. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Amortization of intangible assets with finite lives is recognized in the income statement in the expense category consistent with the use of the intangible asset.

Gains and losses arising from write-off of an intangible asset are measured as the difference between the net sales price and the book value of the asset, recognized in the income statement at the write-off of the asset.

3.7. Impairment of assets

Management annually reviews the net book value of assets in order to evaluate events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment. When such evidence is identified and the net book value exceeds the recoverable value, a provision for impairment is setup, adjusting the net book value to the recoverable value.

The recoverable value of an asset or group of assets is defined as the higher of value in use or the net sales value.

In estimating the asset's value in use, the estimated future cash flows are discounted to their present value, using a discount rate before taxes that reflects the weighted average cost of capital for the segment where the cash-generating unit operates. Whenever possible, the net sales value is determined based on firm sale agreements in transactions made on an arm's length basis between knowledgeable and willing parties, adjusted by expenses attributed to asset sales or, when there is no firm sale agreement, based on the market price of an active market, or the most recent transaction price with similar assets.

3.8. Provisions

3.8.1 General

Provisions are recognized when the Company has a legal or constructive obligation due to a past event, it is probable that economic resources will be required to settle it and a reliable estimate of the obligation amount may be made. When the Company expects that the amount of a provision will be refunded, in full or in part, the refund is recognized as a separate asset, but only when the refund is virtually certain. The expense related to any provision is stated in the income statement, net of any refund.

3.8.2 Provision for litigation

The Company is a party in judicial and administrative proceedings. Provisions are set up for all judicial proceedings involving probable cash outlays to settle them and that may be reliably estimated, if applicable.

The assessment of the likelihood of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance for the legislation in force, as well as the opinion of the Company's outside legal counsel.

These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions, if applicable.

The provision for contingencies is determined by management based on expected amount of loss involved by each contingency based on the opinion of the Company's legal advisors, for amounts considered sufficient to cover losses and risks, if applicable.

3.9. Financial instruments

The Company's financial instruments comprise trade accounts receivable, other receivables, trade accounts payable, other liabilities and related parties.

The instruments are only recognized as from the date the Company becomes a party to the contractual provisions of financial instruments.

They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, excepting financial assets and liabilities classified as at fair value through profit or loss, when such costs are directly posted to income statement for the year. They are subsequently measured at each balance sheet date in accordance with the rules established for each type of classification of financial assets and liabilities.

3.9.1 Financial assets: These are classified in the following categories based on the purpose for which they were acquired or issued:

a) *Financial assets at fair value through profit or loss*: Include financial assets held for trading and financial assets initially recognized at fair value through profit or loss. Financial assets are classified as held for trading if acquired to be sold within short term.

The Company evaluated its financial assets at fair value through profit or loss since it intends to trade them within short term.

When the Company is unable to trade these financial assets as a consequence of market inactivity, and management intention of selling them in the near future changes significantly, the Company may opt to reclassify these financial assets in certain circumstances. The reclassification to loans and accounts receivable, available for sale or held to maturity, depends on asset nature. This evaluation does not affect any financial assets classified as at fair value through profit or loss using the option of fair value upon presentation.

b) *Loans and receivables:* Loans and receivables are non-derivative financial assets, with fixed or determinable payments, not quoted in an active market. After initial measurement, these financial assets are stated at amortized cost, using effective interest rate method, less impairment loss. Trade accounts receivable and other receivables were classified in this category.

3.9.2 Financial liabilities: These are classified in the following categories based on the nature of financial instruments taken out or issued:

a) *Financial liabilities at fair value through profit or loss:* These include financial liabilities held for trading and liabilities designated upon initial recognition at fair value through profit or loss.

They are classified as held for trading when acquired with the objective of sale or repurchase in the short term. Derivative financial instruments are classified as held for trading. They are measured at fair value at every balance sheet date.

Interest, monetary restatement, exchange variation and variations resulting from fair value valuation are recognized in P&L when incurred in financial income or expenses.

b) *Loans and financing:* Non-derivative financial liabilities that are not usually traded before maturity. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Interest, monetary and exchange variation, as applicable, are recognized in P&L when incurred. Trade accounts payable, other liabilities and related parties were classified in this category.

3.9.3 Market value: The market value of financial instruments actively traded in organized markets is determined based on quoted values in the market at balance sheet date. In case there is no active market, market value is determined through valuation techniques. These techniques include the use of recent market transactions between unrelated parties, reference to market value of similar financial instruments, analysis of discounted cash flows or other valuation models.

3.10. Present value adjustment of assets and liabilities

Non-current monetary assets and liabilities are adjusted at present value, and also current ones but only when the effect is considered significant in relation to the overall financial statements. Present value adjustment is calculated taking into consideration contractual cash flows and the express interest rate and, in certain cases, the implicit interest rate of the related assets and liabilities. As such, embedded interest in revenues, expenses and costs related to these assets and liabilities is discounted in order to be recognized on the accrual basis of accounting.

Subsequently, such interest is relocated in the lines of financial expenses and financial income in the income statement using the effective interest rate method in relation to the contractual cash flows. Applied implicit interest rates were determined based on assumptions and are considered accounting estimates.

3.11. Significant accounting judgments, estimates and assumptions

The Company's financial statements were prepared considering different valuation bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on objective and subjective factors, considering management's judgment to determine the appropriate amounts to be recorded in the financial statements.

Significant items subject to these estimates and assumptions include the selection of the useful life of property and equipment items and their recoverability in operations; the evaluation of financial assets at fair value; assessment of the credit risk for the determination of the allowance for doubtful accounts, as well as the analysis of other risks to determine other provisions, including the provisions for guarantees, realization of tax credits and contingencies. Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probabilistic treatment inherent to the estimate process. The Company periodically reviews its estimates and assumptions at least once a year.

3.11.1 Impairment of non-financial assets

Impairment loss exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less cost to sell and value in use. The calculation of fair value less cost to sell is based on information available on sale transactions of similar assets or market price less additional costs to dispose of the asset.

3.11.2 Taxes

There are uncertainties regarding the interpretation of complex tax regulations and the amount and term of future taxable income. The long-term nature and the complexity of existing contractual instruments, differences between actual results and assumptions adopted, or future changes in these assumptions could require future adjustments in the already recorded revenue and tax expenses.

The Company sets up provisions, based on reasonable estimates of the possible consequences of audits by tax authorities in respective jurisdictions in which it operates.

The value of these provisions is based on various factors such as previous experience of tax audits and differing interpretations of tax regulations by the taxed entity and the respective tax authority. These differences of interpretation may arise on a wide variety of subjects depending on conditions prevailing in the Company's domicile.

Significant judgment from management is required to determine the value of deferred tax assets that can be recognized based on the probable term and level of future taxable income together with future tax planning strategies.

3.11.3 Provision for litigation

The Company recognizes provision for civil, tax and labor proceedings, as applicable. The assessment of the chances of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of the Company's outside legal counsel. These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions.

3.12. Cash flow statements

Cash flow statements were prepared by the indirect method and are presented in accordance with CPC 03 – Cash Flow Statements, issued by Brazilian FASB (CPC).

3.13. Business combination and goodwill

When acquiring a business, the Company assesses the financial assets and financial liabilities assumed in order to classify and allocate them according to the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Initially, goodwill is measured as the excess of the consideration transferred over the net assets acquired (net identifiable assets acquired and liabilities assumed). If the consideration is less than the fair value of net assets acquired, the difference is recognized as a gain in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Company´s cash generating units that are expected to benefit from the synergies of the combination.

4. Cash and cash equivalents

	Individual		Consolidated	
	31.03.2014	31.12.2013	**31.03.2014**	31.12.2013
Cash and banks	**582**	1,075	**833**	1,464
	582	1,075	**833**	1,464

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or any other purposes.

5. Trade accounts receivable

	Individual		Consolidated	
	31.03.2014	31.12.2013	**31.03.2014**	31.12.2013
Accounts receivable – invoiced	**856**	1,612	**7,907**	8,550
Accounts receivable – invoices to be issued	**3,039**	2,215	**11,084**	7,013
	3,895	3,827	**18,991**	15,563

6. Intangible assets

On May 02, 2013, the Company acquired 51% of Complex IT Solution Consultoria em Informática S.A. ("Complex IT") shares. During May 2013, the Company paid an anticipation value which generate a temporary goodwill amount to R$ 10,739. The final price will be decide based on Complex IT Solution´s performance after 18 months.

7. Investments

Complex IT Solution Consultoria em Informática S.A. is a privately-held corporation primarily engaged in rendering consulting services related to information technology and implementation of projects involving SAP technology.

31.03.2014

	Subsidiary information			Participation		
Investment	**Equity**	**Net income**	**Number of shares**	**%**	**Equity**	**Equity method result**
Subsidiary:						
Complex IT Solution Consultoria em Informática S.A.	**10,819**	**2,574**	**5,000**	**51%**	**5,515**	**1,310**

31.12.2013

	Subsidiary information			Participation		
Investment	Equity	Net income	Number of shares	%	Equity	Equity method result
Subsidiary:						
Complex IT Solution Consultoria em Informática S.A.	8,245	3,245	5,000	51%	4,204	1,655

The following shows a summary of financial information of the subsidiary as of March 31, 2014 and December 31, 2013:

Investment	31.03.2014			
	Total Assets	Total Liabilities	Equity	Net income
Subsidiary:				
Complex IT Solution Consultoria em Informática	**36,205**	**25,386**	**10,819**	**2,574**

Investment	31.12.2013			
	Total Assets	Total Liabilities	Equity	Net income
Subsidiary:				
Complex IT Solution Consultoria em Informática	28,873	20,628	8,245	3,245

8. Related parties

Operation with related parties refer to consulting services rendered to Tech Mahindra Limited and Complex IT Solution Consultoria em Informática S.A.

As of March 31, 2014 and December 31, 2013 the amounts are summarized as follows:

	Individual		Consolidated	
	31.03.2014	31.12.2013	**31.03.2014**	31.12.2013
Tech Mahindra Limited	**-**	1,840	**-**	1,840
Complex IT Solution Consultoria em Informática S.A.	**3,515**	3,011	**1,716**	-
Total non-current assets	**3,515**	4,851	**1,716**	1,840
Tech Mahindra Limited	**439**	1,913	**439**	1,913
Total current liabilities	**439**	1,913	**439**	1,913
Mutual	**-**	-	**2,296**	3,064
Complex IT Solution Consultoria em Informática S.A.	**-**	-	**268**	1,375
Total current liabilities	**-**	-	**2,564**	4,439

Remuneration of key management

Expenses related to remuneration of key management personnel of the Company, recognized in P&L, totalled R$ 233 at March 31, 2014.

9. Equity

As of March 31, 2014, the capital is represented by 19,685,575 (Nineteen million six hundred eighty five thousands and five hundred seventy five) shares amounts to R$ 1,00 recorded as follows:

Shareholders	**Nº Quotas**	**%**
Tech Mahindra Limited	19,685,574	99.99
Antônio Alberto Rosati	1	0.01
	19,685,575	**100.00**

10. Financial instrument and risk management

10.1 Risk management

As mentioned in Note 1, the Company primarily engaged in rendering consulting services related to information technology, implementation of projects and selling software.

The key market risks faced by the Company in the normal course of its businesses are as follows:

- Credit risk: arises from possible difficulty in settling accounts receivable from customers. This risk is managed by means of a credit analysis policy.
- Market risk: Complex IT is exposed to market risk that can impact your cash flow.
- Liquidity risk: consists of the possibility of the Company not having sufficient funds to honour its commitments due to the different terms for settlement of its rights and obligations. The Company's liquidity and cash flow control is monitored by the Company's financial management department, to ensure that cash flow from operations and the previous funding, when necessary, are sufficient to meet its commitment schedule, not generating liquidity risks for the Company.

10.2 Financial instruments

We set out below a comparison between book value and fair value of the Company's financial instruments presented in the financial statements:

Financial assets	**Individual**		**Consolidated**	
	31.03.2014	**31.03.2014**	**31.03.2014**	**31.03.2014**
	Book value	**Fair value**	**Book value**	**Fair value**
Cash and cash equivalents	**582**	582	**833**	833
Trade accounts receivable	**3,895**	3,895	**18,991**	18,991
Related parties	**3,515**	3,515	**1,716**	1,716
Other receivables	**168**	168	**812**	812
	8,160	**8,160**	**22,352**	**22,352**

Financial liabilities	**Individual**		**Consolidated**	
	31.03.2014	**31.03.2014**	**31.03.2014**	**31.03.2014**
	Book value	**Fair value**	**Book value**	**Fair value**
Trade accounts payable	**3,426**	3,426	**4,647**	4,647
Taxes liabilities	**223**	223	**433**	433
Loans and financing	**-**	-	**3,606**	3,606
Related parties	**439**	439	**3,003**	3,003
Other liabilities	**27**	27	**26**	26
	4,115	**4,115**	**11,715**	**11,715**

At March 31, 2014, the Company does not present balances arising from derivatives transactions.

11. Insurance coverage (unaudited)

At March 31, 2014, insurance coverage taken out is considered sufficient by management to cover losses, if any. As these refer to immaterial amounts, they were not audited.

12. Capital management

Management's objective is to ensure reduced exposure to market risk in order to attain the growth and return objective.

Following the global management policy, in order to reduce any risks, the Company maintains relationships only with first tier financial institutions.

13. Earnings per unit of interest

Calculation of basic earnings per unit of interest is made by dividing net income for the year attributed to holders of the Company's units of interest by the weighted average number of units of interest available in the period.

The chart below sets out net income and units of interest used in the calculation of basic and diluted earnings per unit of interest:

	Individual		Consolidated
	31.03.2014	31.03.2013 (Not audited)	**31.0 3.2014**
Basic and diluted earnings per unit of interest			
Numerator			
Net income for the year attributed to Company unit of interest holders (in thousands of reais)	**140**	96	**140**
Denominator (in units of interest)			
Weighted average number of units of interest	**19,685,575**	1,724,775	**19,685,575**
Basic and diluted earnings per units of interest (in R$)	**0.007**	0.056	**0.007**

14. Commitments

a) Rents

The Company rents properties housing its head office.

Initiation	End	Installments	Index	Location
24/04/2013	25/04/2016	R$ 40	IPCA	São Paulo

b) Guarantee letters

At March 31, 2014, the Company did not have guarantee letters with financial institutions.

A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil

INDEPENDENT AUDITOR´S REPORT ON FINANCIAL STATEMENTS

To

Shareholders, Board of Directors and Officers

Tech Mahindra Serviços de Informática Ltda.

São Paulo - SP

We have audited the accompanying individual and consolidated financial statements of Tech Mahindra Serviços de Informática Ltda. ("Company"), which comprise the balance sheet as at March 31, 2015, and the related income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such, internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Those standards require that we comply with ethic requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the aforesaid individual and consolidated financial statements present fairly, in all material respects, the financial position of Tech Mahindra Serviços de Informática Ltda. as at March 31, 2015 and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the accounting practices adopted in Brazil.

São Paulo, May 08, 2015.

PADRÃO AUDITORIA $^{S}/_{S}$

CRC-2SP 016.650/O-7

YUKIO FUNADA

Contador CRC 1 SP 043.351/O-8

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BALANCE SHEETS AS OF MARCH 31, 2015 AND 2014

(In Thousands of Reais)

	Note	Individual		Consolidated	
		31.03.2015	31.03.2014	**31.03.2015**	31.03.2014
ASSETS					
CURRENT ASSETS		**10,456**	5,371	**51,068**	21,679
Cash and cash equivalents	4	**1,100**	582	**1,102**	833
Trade accounts receivable	5	**7,885**	3,895	**43,513**	18,991
Taxes recoverable		**1,290**	770	**2,174**	1,087
Other receivables		**181**	124	**4,279**	768
NON-CURRENT ASSETS		**49,160**	19,895	**37,538**	14,735
Related parties	8	**3,259**	3,515	**187**	1,716
Property & equipment		**522**	82	**1,083**	206
Intangible assets	6	**32,847**	10,739	**36,222**	12,769
Investments	7	**12,486**	5,515	**-**	-
Other receivables		**46**	44	**46**	44
TOTAL ASSETS		**59,616**	25,266	**88,606**	36,414
LIABILITIES AND EQUITY					
CURRENT		**8,991**	6,260	**38,072**	14,844
Trade accounts payable		**2,250**	3,426	**4,033**	4,647
Salary and social charges		**1,676**	1,002	**10,302**	4,550
Taxes liabilities		**466**	223	**1,116**	433
Loans and financing		**-**	-	**14,707**	3,606
Related parties	8	**2,885**	439	**6,151**	439
Provisions		**1,709**	1,143	**1,709**	1,143
Other liabilities		**5**	27	**54**	26
NON-CURRENT LIABILITIES		**29,941**	-	**29,850**	2,564
Related parties	8	**8,941**	-	**8,850**	2,564
Other liabilities	6	**21,000**	-	**21,000**	-
EQUITY	9	**20,684**	19,006	**20,684**	19,006
Capital		**19,685**	19,685	**19,685**	19,685
Capital to be paid-in		**8,203**	-	**8,203**	-
Retained losses		**(7,204)**	(679)	**(7,204)**	(679)
TOTAL LIABILITIES AND EQUITY		**59,616**	25,266	**88,606**	36,414

See accompanying notes.

INCOME STATEMENTS AS OF MARCH 31, 2015 AND 2014

(In Thousands of Reais)

		Individual		Consolidated	
	Note	**31.03.2015**	31.03.2014	**31.03.2015**	31.03.2014
			(Not audited)		(Not audited)
Net operating revenue		**34,526**	17,294	**119,528**	77,918
Cost of services rendered		**(35,578)**	(18,374)	**(116,026)**	(73,609)
Gross (loss) profit		**(1,052)**	(1,080)	**3,502**	4,309
Operating income (expenses)					
General and administrative expenses		**(4,106)**	(2,373)	**(7,517)**	(4,751)
Equity method results	7	**77**	2,967	**-**	-
Other operating income		**315**	742	**315**	742
		(3,714)	1,336	**(7,202)**	(4,009)
Financial result					
Financial income		**578**	543	**1,175**	675
Financial expenses		**(2,337)**	(596)	**(3,771)**	(772)
		(1,759)	(53)	**(2,596)**	(97)
Income before income and social contribution taxes		**(6,525)**	203	**(6,296)**	203
Income tax and social contribution		**-**	-	**(229)**	-
Total of income tax and social contribution		**-**	-	**(229)**	-
Income (loss) for the period		**(6,525)**	203	**(6,525)**	203
Earnings (losses) per unit of interest – R$	13	**(0.234)**	0.010		

The Company has no other comprehensive income.
See accompanying notes.

STATEMENTS OF CHANGES IN EQUITY AS OF MARCH 31, 2015 AND 2014

(In Thousands of Reais)

EVENTS	CAPITAL	CAPITAL TO BE PAID-IN	RETAINED LOSSES	TOTAL
Balances at 31.03.2013	5,200	(3,475)	(882)	843
Capital increase	14,485	3,475		17,960
Net income for the year	-	-	203	203
Balances at 31.03.2014	19,685	-	(679)	19,006
Capital increase	-	8,203	-	8,203
Loss for the year	-	-	(6,525)	(6,525)
Balances at 31.03.2015	**19,685**	**8,203**	**(7,204)**	**20,684**

See accompanying notes.

CASH FLOW STATEMENTS AS OF MARCH 31, 2015 AND 2014

(In Thousands of Reais)

	Individual		Consolidated	
	31.03.2015	31.03.2014	**31.03.2015**	31.03.2014
		(Not audited)		(Not audited)
Cash flow from operating activities				
Income (loss) before income and social contribution taxes	**(6,525)**	203	**(6,296)**	203
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities:				
Depreciation and amortization	**63**	10	**1,114**	12
Decrease (increase) in assets:				
Trade accounts receivable	**(3,990)**	(819)	**(24,522)**	(18,991)
Taxes recoverable	**(520)**	(237)	**(1,087)**	(1,087)
Prepaid expenses	**-**	22	**-**	-
Other receivables	**(59)**	(118)	**(3,514)**	(812)
Related parties	**256**	(3,512)	**1,529**	(1,716)
Increase (decrease) in liabilities:				
Trade accounts payable	**(1,176)**	2,788	**(614)**	4,647
Taxes payable and others	**917**	593	**6,435**	4,983
Related parties	**11,387**	439	**11,999**	3,002
Provisions	**566**	(195)	**566**	1,143
Other liabilities	**20,978**	25	**21,027**	27
Payment of income tax and social contribution	**-**	-	**(229)**	-
Net cash provided by operating activities	**21,897**	(801)	**6,408**	(8,589)
Cash flow from investing activities				
Fixed asset and intangible purchases	**(22,611)**	(10,807)	**(25,443)**	(12,144)
Investments	**(6,971)**	(5,515)	**-**	-
Net cash used in investing activities	**(29,582)**	(16,322)	**(25,443)**	(12,144)
Cash flow from financing activities				
Increase (decrease) in loans and financing	**-**	(255)	**11,101**	3,606
Increase of social capital	**8,203**	17,960	**8,203**	17,960
Net cash provided by financing activities	**8,203**	17,705	**19,304**	21,566
Increase (decrease) in cash and cash equivalents	**518**	582	**269**	833
Cash and cash equivalents				
Cash and cash equivalents at the beginning of the year	**582**	-	**833**	-
Cash and cash equivalents at the end of the year	**1,100**	582	**1,102**	833

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS AS OF MARCH 31, 2015 AND 2014

1. Operations

Tech Mahindra Serviços de Informática Ltda. ("Tech Mahindra" or "Company") is a limited company and primarily engaged in rendering consulting services related to information technology, implementation of projects and selling software. The Company is located in São Paulo city.

On May 02, 2013, the Company acquired 51% of Complex IT Solution Consultoria em Informática S.A. shares and on December 30, 2014 the Company acquired the 49% remaining shares.

2. Basis for preparation and presentation of financial statements

Authorization to complete these financial statements was given at the General Meeting held on May 8, 2015.

The financial statements were prepared in accordance with several assessment bases used in the accounting estimates. Accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors, and in line with management's judgment to determine the appropriate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include selection of useful lives of property and equipment and their recoverability on operations in operations, measurement of financial assets at fair value and under the present value method, credit risk analysis to determine the allowance for doubtful accounts, as well as other risk analysis to determine other provisions, including provision for contingencies.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probability treatment inherent to the estimation process. The Company reviews its estimates and assumptions at least once a year.

The financial statements were prepared in accordance with accounting practices adopted in Brazil, which comprise the Brazilian Corporation Laws, the standards issued by the Brazilian Securities and Exchange Commission (CVM), and pronouncements, interpretations and guidance issued by the Brazilian FASB (CPC), as well as in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3. Summary of significant accounting practices

3.1. Translation of foreign currency-denominated balances

3.1.1 <u>Functional and reporting currency</u>

The Company's functional currency is the Brazilian real, same currency for preparation and presentation of the financial statements.

3.1.2 <u>Transactions denominated in foreign currency</u>

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency (Real) using the exchange rate of balance sheet date. Gains and losses resulting from the restatement of these assets and liabilities due to exchange rate variation between transaction date and year end are recognized as financial income or financial expenses in the income statement.

3.2. Revenue recognition

Revenues are stated on the accrual basis of accounting. Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and when it can be reliably measured.

3.3. Taxation

<u>3.3.1. Sales taxes</u>

Sales and service revenues are subject to the taxes and social contributions below, at the following statutory rates:

- Social Contribution Tax on Gross Revenue for Social Integration Program (PIS) 0.65%;
- Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS) 3.0%;
- Service tax (ISS) – 2% à 5%.

<u>3.3.2. Current income and social contribution taxes</u>

Taxable profit comprises income and social contribution taxes. Income tax is calculated at a rate of 15%, plus a surtax of 10% on taxable profit exceeding R$240 over 12 months, whereas social contribution tax is computed at a rate of 9% on taxable profit, both recognized on an accrual basis; therefore additions to book income of temporarily nondeductible expenses or exclusions of temporarily non-taxable income upon determination of current taxable profit generate deferred tax assets or liabilities.

Prepaid or recoverable taxes are stated in current or non-current assets, according to the forecast of realization thereof.

3.4. Cash and cash equivalents

These include cash, bank account balances and short-term investments redeemable within 90 days from the transaction dates, subject to insignificant risk of change in their market value. Short-term investments included in cash equivalents are mostly classified as "financial assets at fair value through profit or loss".

3.5. Property & equipment

These are recorded at acquisition cost. Depreciation of assets is calculated on a straight-line basis and takes into consideration the estimated economic useful lives of assets.

A property and equipment item is written off when sold or when no future economic benefit is expected to arise from its use or sale. Gains or losses arising from derecognition of an asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the statement of income in the year which the asset is derecognized.

The net book value and useful lives of the assets and the depreciation methods are reviewed at year end, and adjusted prospectively, when applicable.

After calculating net book value of property and equipment for financial statement purposes, the Company determines whether it is necessary to recognize additional loss of property and equipment value aggregated with other assets, such as investments and intangible assets in cash-generating units.

Due to changes in Brazilian accounting practices on the path to full convergence with international standards, first-time adopters of Accounting Pronouncements CPC 27 (IAS 16) and CPC 28 (IAS 40) may elect to make adjustments to their opening balances similarly to those allowed by international financial reporting standards, using the deemed cost concept as provided for in CPC 37 (IFRS 1) and CPC 43.

3.6. Intangible assets

Intangible assets acquired separately are measured at cost upon their initial recognition. After initial recognition, intangible assets are stated at cost, less accumulated amortization and impairment. Intangible assets are represented by temporary goodwill related to acquisition of 100% of Complex IT Solution Consultoria em Informática S.A. shares and software.

The useful life of intangible assets is considered finite or indefinite.

Finite intangible assets are amortized over their economic useful lives and are tested for impairment whenever there is any indication of impairment loss. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Amortization of intangible assets with finite lives is recognized in the income statement in the expense category consistent with the use of the intangible asset.

Gains and losses arising from write-off of an intangible asset are measured as the difference between the net sales price and the book value of the asset, recognized in the income statement at the write-off of the asset.

3.7. Impairment of assets

Management annually reviews the net book value of assets in order to evaluate events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment. When such evidence is identified and the net book value exceeds the recoverable value, a provision for impairment is setup, adjusting the net book value to the recoverable value.

The recoverable value of an asset or group of assets is defined as the higher of value in use or the net sales value.

In estimating the asset's value in use, the estimated future cash flows are discounted to their present value, using a discount rate before taxes that reflects the weighted average cost of capital for the segment where the cash-generating unit operates. Whenever possible, the net sales value is determined based on firm sale agreements in transactions made on an arm's length basis between knowledgeable and willing parties, adjusted by expenses attributed to asset sales or, when there is no firm sale agreement, based on the market price of an active market, or the most recent transaction price with similar assets.

3.8. Provisions

3.8.1 General

Provisions are recognized when the Company has a legal or constructive obligation due to a past event, it is probable that economic resources will be required to settle it and a reliable estimate of the obligation amount may be made. When the Company expects that the amount of a provision will be refunded, in full or in part, the refund is recognized as a separate asset, but only when the refund is virtually certain. The expense related to any provision is stated in the income statement, net of any refund.

3.8.2 Provision for litigation

The Company is a party in judicial and administrative proceedings. Provisions are set up for all judicial proceedings involving probable cash outlays to settle them and that may be reliably estimated, if applicable.

The assessment of the likelihood of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance for the legislation in force, as well as the opinion of the Company's outside legal counsel.

These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions, if applicable.

The provision for contingencies is determined by management based on expected amount of loss involved by each contingency based on the opinion of the Company's legal advisors, for amounts considered sufficient to cover losses and risks, if applicable.

3.9. Financial instruments

The Company's financial instruments comprise trade accounts receivable, other receivables, trade accounts payable, other liabilities and related parties.

The instruments are only recognized as from the date the Company becomes a party to the contractual provisions of financial instruments.

They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, excepting financial assets and liabilities classified as at fair value through profit or loss, when such costs are directly posted to income statement for the year. They are subsequently measured at each balance sheet date in accordance with the rules established for each type of classification of financial assets and liabilities.

3.9.1 <u>Financial assets:</u> These are classified in the following categories based on the purpose for which they were acquired or issued:

a) *Financial assets at fair value through profit or loss*: Include financial assets held for trading and financial assets initially recognized at fair value through profit or loss. Financial assets are classified as held for trading if acquired to be sold within short term.

The Company evaluated its financial assets at fair value through profit or loss since it intends to trade them within short term.

When the Company is unable to trade these financial assets as a consequence of market inactivity, and management intention of selling them in the near future changes significantly, the Company may opt to reclassify these financial assets in certain circumstances. The reclassification to loans and accounts receivable, available for sale or held to maturity depends on asset nature. This evaluation does not affect any financial assets classified as at fair value through profit or loss using the option of fair value upon presentation.

b) *Loans and receivables:* Loans and receivables are non-derivative financial assets, with fixed or determinable payments, not quoted in an active market. After initial measurement, these financial assets are stated at amortized cost, using effective interest rate method, less impairment loss. Trade accounts receivable and other receivables were classified in this category.

3.9.2 <u>Financial liabilities:</u> These are classified in the following categories based on the nature of financial instruments taken out or issued:

a) *Financial liabilities at fair value through profit or loss:* These include financial liabilities held for trading and liabilities designated upon initial recognition at fair value through profit or loss.

They are classified as held for trading when acquired with the objective of sale or repurchase in the short term. Derivative financial instruments are classified as held for trading. They are measured at fair value at every balance sheet date.

Interest, monetary restatement, exchange variation and variations resulting from fair value valuation are recognized in P&L when incurred in financial income or expenses.

b) *Loans and financing:* Non-derivative financial liabilities that are not usually traded before maturity. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Interest, monetary and exchange variation, as applicable, are recognized in P&L when incurred. Trade accounts payable, other liabilities and related parties were classified in this category.

3.9.3 <u>Market value:</u> The market value of financial instruments actively traded in organized markets is determined based on quoted values in the market at balance sheet date. In case there is no active market, market value is determined through valuation techniques. These techniques include the use of recent market transactions between unrelated parties, reference to market value of similar financial instruments, analysis of discounted cash flows or other valuation models.

3.10. Present value adjustment of assets and liabilities

Non-current monetary assets and liabilities are adjusted at present value, and also current ones but only when the effect is considered significant in relation to the overall financial statements. Present value adjustment is calculated taking into consideration contractual cash flows and the express interest rate and, in certain cases, the implicit interest rate of the related assets and liabilities. As such, embedded interest in revenues, expenses and costs related to these assets and liabilities is discounted in order to be recognized on the accrual basis of accounting.

Subsequently, such interest is relocated in the lines of financial expenses and financial income in the income statement using the effective interest rate method in relation to the contractual cash flows. Applied implicit interest rates were determined based on assumptions and are considered accounting estimates.

3.11. Significant accounting judgments, estimates and assumptions

The Company's financial statements were prepared considering different valuation bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on objective and subjective factors, considering management's judgment to determine the appropriate amounts to be recorded in the financial statements.

Significant items subject to these estimates and assumptions include the selection of the useful life of property and equipment items and their recoverability in operations; the evaluation of financial assets at fair value; assessment of the credit risk for the determination of the allowance for doubtful accounts, as well as the analysis of other risks to determine other provisions, including the provisions for guarantees, realization of tax credits and contingencies. Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probabilistic treatment inherent to the estimate process. The Company periodically reviews its estimates and assumptions at least once a year.

3.11.1 Impairment of non-financial assets

Impairment loss exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less cost to sell and value in use. The calculation of fair value less cost to sell is based on information available on sale transactions of similar assets or market price less additional costs to dispose of the asset.

3.11.2 Taxes

There are uncertainties regarding the interpretation of complex tax regulations and the amount and term of future taxable income. The long-term nature and the complexity of existing contractual instruments, differences between actual results and assumptions adopted, or future changes in these assumptions could require future adjustments in the already recorded revenue and tax expenses.

The Company sets up provisions, based on reasonable estimates of the possible consequences of audits by tax authorities in respective jurisdictions in which it operates.

The value of these provisions is based on various factors such as previous experience of tax audits and differing interpretations of tax regulations by the taxed entity and the respective tax authority. These differences of interpretation may arise on a wide variety of subjects depending on conditions prevailing in the Company's domicile.

Significant judgment from management is required to determine the value of deferred tax assets that can be recognized based on the probable term and level of future taxable income together with future tax planning strategies.

3.11.3 Provision for litigation

The Company recognizes provision for civil, tax and labor proceedings, as applicable. The assessment of the chances of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of the Company's outside legal counsel. These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions.

3.12. Cash flow statements

Cash flow statements were prepared by the indirect method and are presented in accordance with CPC 03 – Cash Flow Statements, issued by Brazilian FASB (CPC).

3.13. Business combination and goodwill

When acquiring a business, the Company assesses the financial assets and financial liabilities assumed in order to classify and allocate them according to the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Initially, goodwill is measured as the excess of the consideration transferred over the net assets acquired (net identifiable assets acquired and liabilities assumed). If the consideration is less than the fair value of net assets acquired, the difference is recognized as a gain in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Company´s cash generating units that are expected to benefit from the synergies of the combination.

4. Cash and cash equivalents

	Individual		**Consolidated**	
	31.03.2015	31.03.2014	**31.03.2015**	31.03.2014
Cash and banks	**1,100**	582	**1,102**	833
	1,100	582	**1,102**	833

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or any other purposes.

5. Trade accounts receivable

	Individual		**Consolidated**	
	31.03.2015	31.03.2014	**31.03.2015**	31.03.2014
Accounts receivable – invoiced	**4,181**	956	**23,710**	8,007
Accounts receivable – invoices to be issued	**3,804**	3,039	**19,903**	11,084
(-) Provision for doubtful accounts	**(100)**	(100)	**(100)**	(100)
	7,885	3,895	**43,513**	18,991

6. Intangible assets

On May 02, 2013, the Company acquired 51% of Complex IT Solution Consultoria em Informática S.A. ("Complex IT") shares. During May 2013, the Company paid an anticipation value which generate a temporary goodwill amount to R$10,739. On December 30, 2014, the Company acquired the remaining 49% of Complex IT Solution shares and recognized the amount of R$22,108 totalling R$32,847 related to goodwill.

7. Investments

Complex IT Solution Consultoria em Informática S.A. is a privately-held corporation primarily engaged in rendering consulting services related to information technology and implementation of projects involving SAP technology.

	31.03.2014					
	Subsidiary information			Participation		
Investment	Equity	Net income	Number of shares	%	Equity	Equity method result
Subsidiary:						
Complex IT Solution Consultoria em Informática S.A.	10,819	5,819	5,000	51%	5,515	2,967

	31.03.2015					
	Subsidiary information			**Participation**		
Investment	**Equity**	**Net income**	**Number of shares**	**%**	**Equity**	**Equity method result**
Subsidiary:						
Complex IT Solution Consultoria em Informática S.A.	**12,116**	**1,297**	**5,000**	**100%**	**12,116**	**77***

* Until December 29, 2014, the Company had 51% of Complex IT Solution shares.

The following shows a summary of financial information of the subsidiary as of March 31, 2015 and March 31, 2014:

	31.03.2014			
Investment	Total Assets	Total Liabilities	Equity	Net income
				(Not audited)
Subsidiary:				
Complex IT Solution Consultoria em Informática	36,205	25,386	10,819	5,819

	31.03.2015			
Investment	**Total Assets**	**Total Liabilities**	**Equity**	**Net income**
Subsidiary:				
Complex IT Solution Consultoria em Informática	**44,178**	**32,062**	**12,116**	**1,297**

8. Related parties

Operation with related parties refer to consulting services rendered to Tech Mahindra Limited and Complex IT Solution Consultoria em Informática S.A.

As of March 31, 2015 and March 31, 2014 the amounts are summarized as follows:

	Individual		**Consolidated**	
	31.03.2015	31.03.2014	**31.03.2015**	31.03.2014
Complex IT Solution Consultoria em Informática S.A.	**3,072**	3,515	**-**	1,716
Tech Mahindra Limited	**187**	-	**187**	-
Total non-current assets	**3,259**	3,515	**187**	1,716
Mutual	**-**	-	**3,266**	-
Tech Mahindra Limited	**2,885**	439	**2,885**	439
Total current liabilities	**2,885**	439	**6,151**	439
Tech Mahindra Limited	**8,941**	-	**8,850**	-
Mutual	**-**	**-**	**-**	2,296
Complex IT Solution Consultoria em Informática S.A.	**-**	**-**	**-**	268
Total current liabilities	**8,941**	-	**8,850**	2,564

Remuneration of key management

Expenses related to remuneration of key management personnel of the Company, recognized in P&L, totaled R$932 at Mach 31, 2015.

9. Equity

As of March 31, 2015, the capital is represented by 19,685,575 (Nineteen million six hundred eighty five thousands and five hundred seventy five) shares and 8,202,508 (Eight million, two hundred two thousands and five hundred eight) share related to capital to be paid-in amounts to R$1.00 recorded as follows:

Shareholders	**Nº Quotas**	**%**
Tech Mahindra Limited	27,888,082	99.99
Mr. Antônio Alberto Rosati	1	0.01
	27,888,083	**100.00**

10. Financial instrument and risk management

10.1 Risk management

As mentioned in Note 1, the Company primarily engaged in rendering consulting services related to information technology, implementation of projects and selling software.

The key market risks faced by the Company in the normal course of its businesses are as follows:

- Credit risk: arises from possible difficulty in settling accounts receivable from customers. This risk is managed by means of a credit analysis policy.
- Market risk: Complex IT is exposed to market risk that can impact your cash flow.
- Liquidity risk: consists of the possibility of the Company not having sufficient funds to honour its commitments due to the different terms for settlement of its rights and obligations. The Company's liquidity and cash flow control is monitored by the Company's financial management department, to ensure that cash flow from operations and the previous funding, when necessary, are sufficient to meet its commitment schedule, not generating liquidity risks for the Company.

10.2 Financial instruments

We set out below a comparison between book value and fair value of the Company's financial instruments presented in the financial statements:

Financial assets	**Individual**		**Consolidated**	
	31.03.2015	**31.03.2015**	**31.03.2015**	**31.03.2015**
	Book value	**Fair value**	**Book value**	**Fair value**
Cash and cash equivalents	**1,100**	1,100	**1,102**	1,102
Trade accounts receivable	**7,885**	7,885	**43,513**	43,513
Related parties	**3,259**	3,259	**187**	187
Other receivables	**227**	227	**4,325**	4,325
	12,471	**12,471**	**49,127**	**49,127**

Financial liabilities	**Individual**		**Consolidated**	
	31.03.2015	**31.03.2015**	**31.03.2015**	**31.03.2015**
	Book value	**Fair value**	**Book value**	**Fair value**
Trade accounts payable	**2,250**	2,250	**4,033**	4,033
Taxes liabilities	**466**	466	**1,116**	1,116
Loans and financing	**-**	-	**15,001**	15,001
Related parties	**11,826**	11,826	**14,814**	14,814
Other liabilities	**21,005**	21,005	**21,054**	21,054
	35,547	**35,547**	**56,018**	**56,018**

At March 31, 2015 and 2014, the Company does not present balances arising from derivatives transactions.

11. Insurance coverage (unaudited)

At March 31, 2015, insurance coverage taken out is considered sufficient by management to cover losses, if any. As these refer to immaterial amounts, they were not audited.

12. Capital management

Management's objective is to ensure reduced exposure to market risk in order to attain the growth and return objective.

Following the global management policy, in order to reduce any risks, the Company maintains relationships only with first tier financial institutions.

13. Earnings (losses) per unit of interest

Calculation of basic earnings (losses) per unit of interest is made by dividing net income (loss) for the year attributed to holders of the Company's units of interest by the weighted average number of units of interest available in the year ended.

The chart below sets out net income and units of interest used in the calculation of basic and diluted earnings per unit of interest:

	Individual and Consolidated	
	31.03.2015	31.03.2014
		(Not audited)
Basic and diluted earnings per unit of interest		
Numerator		
Income (loss) for the year attributed to Company unit of interest holders (in thousands of reais)	**(6,525)**	203
Denominator (in units of interest)		
Weighted average number of units of interest	**27,888,083**	19,685,575
Basic and diluted earnings (losses) per units of interest (in R$)	**(0.234)**	0.010

14. Commitments

a) Rents

The Company rents properties housing its head office.

Initiation	End	Installments	Index	Location
24.04.2013	25.04.2016	R$40	IPCA	São Paulo

b) Guarantee letters

At March 31, 2015, the Company did not have guarantee letters with financial institutions.

COMPLEX IT SOLUTION CONSULTORIA EM INFORMATICA S.A.

Board of Directors

Mr. Arvind Malhotra
Mr. Manoj Bhat

Registered Office

CENESP (Centro Empresarial de Sao Paulo)
Avenida Maria Coelho Aguiar, 215
5th andar – Bloco C – Jardim Sao Luis
BRAZIL, CEP: 05804-900

Bankers

Citi Bank
Banco ITAU
Santander
Bradesco

Auditors

Padrao Auditoria S/S Brazil

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the 15 months period ended March 31, 2015.

Financial Results:

Amount in BRL (thousands)

For the period ended	**15 months period ended March 31, 2015**	Year ended 31st March, 2014
Income	**160,794**	118,240
Profit/(Loss) before tax	**4,870**	5,819
Profit/(Loss) after tax	**3,871**	5,819

Review of Operation:

During the 15 months period under review, your company has recorded an income of BRL 167,794,000 and PAT of BRL 3,871,000.

Directors:

Consequent to the acquisition of balance 49% by Tech Mahindra Servicos De Informatica Ltda, Mr. Antonio Carlos Rossi and Mr. Luis Martins has resigned from the Board of Directors.

Outlook for the current period:

Business has been encouraging in Brazil and the company is cautiously optimistic of the future. The company continues to invest in strengthening its infrastructure in Brazil region. We will focus on deepening the relationships with existing customers, as well as looking to continue opening new relationships to increase business in future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the company. Your Directors also thank the customers, suppliers, bankers, State and Government Authorities and the shareholders for the co-operation and assistance received from them.

Arvind Malhotra

Director

Date: May 8, 2015

Place: São Paulo, Brazil

A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil

INDEPENDENT AUDITOR´S REPORT ON FINANCIAL STATEMENTS

To

Shareholders, Board of Directors and Officers

Complex IT Solution Consultoria em Informática S.A.

São Paulo - SP

We have audited the accompanying financial statements of Complex IT Solution Consultoria em Informática S.A. ("Company"), which comprise the balance sheet as at March 31, 2014, and the related income statement, statement of changes in equity and cash flow statement for the period of three months, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such, internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Those standards require that we comply with ethic requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the aforesaid individual and consolidated financial statements present fairly, in all material respects, the financial position of Complex IT Solution Consultoria em Informática S.A. as at March 31, 2014 and its financial performance and cash flows for the period of three months, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the accounting practices adopted in Brazil.

São Paulo, April 23, 2014.

PADRÃO AUDITORIA S/S

CRC-2SP 016.650/O-7

YUKIO FUNADA

Contador CRC 1 SP 043.351/O-8

A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil

BALANCE SHEETS MARCH 31, 2014 AND DECEMBER 31, 2013

	(In Thousands of Reais)	
	31.03.2014	31.12.2013
ASSETS		
CURRENT ASSETS	**31,981**	24,397
Cash and cash equivalents (Note 4)	**493**	762
Trade accounts receivable (Note 5)	**29,600**	23,039
Taxes recoverable	**622**	533
Other receivables	**1,266**	63
NON-CURRENT ASSETS	**4.224**	4,476
Property & equipment	**244**	253
Intangible assets	**3,980**	4,223
TOTAL ASSETS	**36.205**	28,873

LIABILITIES AND EQUITY

	31.03.2014	31.12.2013
CURRENT LIABILITIES	**16,923**	8,716
Trade accounts payable	**2,395**	1,871
Salaries and social charges	**6,956**	6,368
Tax liabilities	**411**	449
Loans and financing	**7,071**	-
Related parties (Note 6)	**90**	-
Other liabilities	**-**	28
NON-CURRENT LIABILITIES	**8,463**	11,912
Related parties (Note 6)	**8,463**	11,912
EQUITY	**10,819**	8,245
Capital (Note 7)	**5,000**	5,000
Profit of period	**5,819**	3,245
TOTAL LIABILITIES AND EQUITY	**36,205**	28,873

See accompanying notes.

INCOME STATEMENTS PERIOD OF THREE MONTHS AS OF MARCH 31, 2014

(In Thousands of Reais)

	31.03.2014
Net operating revenue	**31,794**
Cost of services rendered	**(28,476)**
Gross profit	**3,318**
Operating income (expenses)	
General and administrative expenses	**(693)**
	(693)
Financial result	
Financial income	**88**
Financial expenses	**(139)**
	(51)
Income before income and social contribution taxes	**2,574**
Net income for the period	**2.574**
Earnings per unit of interest – R$ (Note 11)	**0.515**

The Company has no other comprehensive income.
See accompanying notes.

STATEMENTS OF CHANGES IN EQUITY MARCH 31, 2014

(In Thousands of Reais)

EVENTS	CAPITAL	RETAINED EARNINGS	TOTAL
Balances at 31.12.2013	5,000	3,245	8,245
Net income for the period	-	2,574	2,574
Balances at 31.03.2014	**5,000**	**5,819**	**10,819**

See accompanying notes.

CASH FLOW STATEMENTS PERIOD ENDED AT MARCH 31, 2014

	(In Thousands of Reais) 31.03.2014
Cash flow from operating activities	
Income before income and social contribution taxes	**2,574**
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities:	
Depreciation and amortization	**252**
Decrease (increase) in assets:	
Accounts receivable	**(6,561)**
Other receivables	**(1,292)**
Increase (decrease) in liabilities:	
Trade accounts payable	**524**
Payroll and social charges	**588**
Taxes payable	**(38)**
Other liabilities	**(28)**
Related parties	**(3,359)**
Net cash provided by operating activities	**(7,340)**
Cash flow from investing activities	
Fixed asset purchases	**-**
Intangible assets purchases	**-**
Net cash used in investing activities	**-**
Cash flow from financing activities	
Capital increase	**-**
Increase (decrease) of loans and financing	**7,071**
Net cash provided by financing activities	**7,071**
Increase (decrease) in cash and cash equivalents	**(269)**
Cash and cash equivalents	
Cash and cash equivalents at the beginning of the year	**762**
Cash and cash equivalents at the end of the period	**493**

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS PERIOD THREE MONTHS ENDED AT MARCH 31, 2014

1. Operations

Complex IT Solution Consultoria em Informática S.A. ("Complex IT" ou "Company") is a privately-held corporation primarily engaged in rendering consulting services related to information technology and implementation of projects involving SAP technology. The Company is located in Sao Paulo city in Sao Paulo state.

On May 2, 2013, Satyam Serviços de Informática acquired 51% of Complex IT shares.

2. Basis for preparation and presentation of financial statements

Authorization to complete these financial statements was given at the General Meeting held on April 23, 2014.

The financial statements were prepared in accordance with several assessment bases used in the accounting estimates. Accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors, and in line with management's judgment to determine the appropriate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include selection of useful lives of property and equipment and their recoverability on operations in operations, measurement of financial assets at fair value and under the present value method, credit risk analysis to determine the allowance for doubtful accounts, as well as other risk analysis to determine other provisions, including provision for contingencies.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probability treatment inherent to the estimation process. The Company reviews its estimates and assumptions at least once a year.

The financial statements were prepared in accordance with accounting practices adopted in Brazil, which comprise the Brazilian Corporation Laws, the standards issued by the Brazilian Securities and Exchange Commission (CVM), and pronouncements, interpretations and guidance issued by the Brazilian FASB (CPC), as well as in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3. Summary of significant accounting practices

3.1 Translation of foreign currency-denominated balances

3.1.1 Functional and reporting currency

The Company's functional currency is the Brazilian real, same currency for preparation and presentation of the financial statements.

3.1.2 Transactions denominated in foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency (Real) using the exchange rate of balance sheet date. Gains and losses resulting from the restatement of these assets and liabilities due to exchange rate variation between transaction date and year end are recognized as financial income or financial expenses in the income statement.

3.2 Revenue recognition

Revenues are stated on the accrual basis of accounting. Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and when it can be reliably measured.

3.3 Taxation

3.3.1 Sales taxes

Sales and service revenues are subject to the taxes and social contributions below, at the following statutory rates:

- Social Contribution Tax on Gross Revenue for Social Integration Program (PIS) 0,65%;
- Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS) 3,0%;
- Service tax (ISS) – 0,5% à 5%.

3.3.2 Current income and social contribution taxes

Taxable profit comprises income and social contribution taxes. Income tax is calculated at a rate of 15%, plus a surtax of 10% on taxable profit exceeding R$ 240 over 12 months, whereas social contribution tax is computed at a rate of 9% on taxable profit, both recognized on an accrual basis; therefore additions to book income of temporarily nondeductible expenses or exclusions of temporarily non-taxable income upon determination of current taxable profit generate deferred tax assets or liabilities.

Prepaid or recoverable taxes are stated in current or non-current assets, according to the forecast of realization thereof.

3.4 Cash and cash equivalents

These include cash, bank account balances and short-term investments redeemable within 90 days from the transaction dates, subject to insignificant risk of change in their market value. Short-term investments included in cash equivalents are mostly classified as “financial assets at fair value through profit or loss”.

3.5 Property & equipment

These are recorded at acquisition cost. Depreciation of assets is calculated on a straight-line basis and takes into consideration the estimated economic useful lives of assets.

A property and equipment item is written off when sold or when no future economic benefit is expected to arise from its use or sale. Gains or losses arising from derecognition of an asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the statement of income in the year which the asset is derecognized.

The net book value and useful lives of the assets and the depreciation methods are reviewed at year end, and adjusted prospectively, when applicable.

After calculating net book value of property and equipment for financial statement purposes, the Company determines whether it is necessary to recognize additional loss of property and equipment value aggregated with other assets, such as investments and intangible assets in cash-generating units.

Due to changes in Brazilian accounting practices on the path to full convergence with international standards, first-time adopters of Accounting Pronouncements CPC 27 (IAS 16) and CPC 28 (IAS 40) may elect to make adjustments to their opening balances similarly to those allowed by international financial reporting standards, using the deemed cost concept as provided for in CPC 37 (IFRS 1) and CPC 43.

3.6 Intangible assets

Intangible assets acquired separately are measured at cost upon their initial recognition. After initial recognition, intangible assets are stated at cost, less accumulated amortization and impairment. Intangible assets are represented by software and are amortized in 5 years.

The useful life of intangible assets is considered finite or indefinite.

Finite intangible assets are amortized over their economic useful lives and are tested for impairment whenever there is any indication of impairment loss. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Amortization of intangible assets with finite lives is recognized in the income statement in the expense category consistent with the use of the intangible asset.

In the period ended March 31, 2014, the Company did not have intangible assets with indefinite useful life.

Gains and losses arising from write-off of an intangible asset are measured as the difference between the net sales price and the book value of the asset, recognized in the income statement at the write-off of the asset.

3.7 Impairment of assets

Management annually reviews the net book value of assets in order to evaluate events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment. When such evidence is identified and the net book value exceeds the recoverable value, a provision for impairment is setup, adjusting the net book value to the recoverable value.

The recoverable value of an asset or group of assets is defined as the higher of value in use or the net sales value.

In estimating the asset’s value in use, the estimated future cash flows are discounted to their present value, using a discount rate before taxes that reflects the weighted average cost of capital for the segment where the cash-generating unit operates. Whenever possible, the net sales value is determined based on firm sale agreements in transactions made on an arm’s length basis between knowledgeable and willing parties, adjusted by expenses attributed to asset sales or, when there is no firm sale agreement, based on the market price of an active market, or the most recent transaction price with similar assets.

3.8 Provisions

3.8.1 General

Provisions are recognized when the Company has a legal or constructive obligation due to a past event, it is probable that economic resources will be required to settle it and a reliable estimate of the obligation amount may be made. When the Company expects that the amount of a provision will be refunded, in full or in part, the refund is recognized as a separate asset, but only when the refund is virtually certain. The expense related to any provision is stated in the income statement, net of any refund.

3.8.2 Provision for litigation

The Company is a party in judicial and administrative proceedings. Provisions are set up for all judicial proceedings involving probable cash outlays to settle them and that may be reliably estimated, if applicable.

The assessment of the likelihood of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance for the legislation in force, as well as the opinion of the Company's outside legal counsel.

These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions, if applicable.

The provision for contingencies is determined by management based on expected amount of loss involved by each contingency based on the opinion of the Company's legal advisors, for amounts considered sufficient to cover losses and risks, if applicable.

3.9 Financial instruments

The Company's financial instruments comprise trade accounts receivable, other receivables, trade accounts payable, other liabilities and related parties.

The instruments are only recognized as from the date the Company becomes a party to the contractual provisions of financial instruments.

They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, excepting financial assets and liabilities classified as at fair value through profit or loss, when such costs are directly posted to income statement for the year. They are subsequently measured at each balance sheet date in accordance with the rules established for each type of classification of financial assets and liabilities.

3.9.1 Financial assets: These are classified in the following categories based on the purpose for which they were acquired or issued:

a) *Financial assets at fair value through profit or loss*:

include financial assets held for trading and financial assets initially recognized at fair value through profit or loss. Financial assets are classified as held for trading if acquired to be sold within short term.

The Company evaluated its financial assets at fair value through profit or loss since it intends to trade them within short term.

When the Company is unable to trade these financial assets as a consequence of market inactivity, and management intention of selling them in the near future changes significantly, the Company may opt to reclassify these financial assets in certain circumstances. The reclassification to loans and accounts receivable, available for sale or held to maturity, depends on asset nature. This evaluation does not affect any financial assets classified as at fair value through profit or loss using the option of fair value upon presentation.

b) *Loans and receivables:* Loans and receivables are non-derivative financial assets, with fixed or determinable payments, not quoted in an active market. After initial measurement, these financial assets are stated at amortized cost, using effective interest rate method, less impairment loss. Trade accounts receivable and other receivables were classified in this category.

3.9.2. Financial liabilities: These are classified in the following categories based on the nature of financial instruments taken out or issued:

a) *Financial liabilities at fair value through profit or loss:* These include financial liabilities held for trading and liabilities designated upon initial recognition at fair value through profit or loss.

They are classified as held for trading when acquired with the objective of sale or repurchase in the short term. Derivative financial instruments are classified as held for trading. They are measured at fair value at every balance sheet date.

Interest, monetary restatement, exchange variation and variations resulting from fair value valuation are recognized in P&L when incurred in financial income or expenses.

b) *Loans and financing:* Non-derivative financial liabilities that are not usually traded before maturity. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Interest, monetary and exchange variation, as applicable, are recognized in P&L when incurred. Trade accounts payable, other liabilities and related parties were classified in this category.

3.9.3 Market value: The market value of financial instruments actively traded in organized markets is determined based on quoted values in the market at balance sheet date. In case there is no active market, market value is determined through valuation techniques. These techniques include the use of recent market transactions between unrelated parties, reference to market value of similar financial instruments, analysis of discounted cash flows or other valuation models.

3.10 Present value adjustment of assets and liabilities

Non-current monetary assets and liabilities are adjusted at present value, and also current ones but only when the effect is considered significant in relation to the overall financial statements. Present value adjustment is calculated taking into consideration contractual cash flows and the express interest rate and, in certain cases, the implicit interest rate of the related assets and liabilities. As such, embedded interest in revenues, expenses and costs related to these assets and liabilities is discounted in order to be recognized on the accrual basis of accounting.

Subsequently, such interest is relocated in the lines of financial expenses and financial income in the income statement using the effective interest rate method in relation to the contractual cash flows. Applied implicit interest rates were determined based on assumptions and are considered accounting estimates.

3.11 Significant accounting judgments, estimates and assumptions

The Company's financial statements were prepared considering different valuation bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on objective and subjective factors, considering management's judgment to determine the appropriate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include the selection of the useful life of property and equipment items and their recoverability in operations; the evaluation of financial assets at fair value; assessment of the credit risk for the determination of the allowance for doubtful accounts, as well as the analysis of other risks to determine other provisions, including the provisions for guarantees, realization of tax credits and contingencies. Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probabilistic treatment inherent to the estimate process. The Company periodically reviews its estimates and assumptions at least once a year.

3.11.1 Impairment of non-financial assets

Impairment loss exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less cost to sell and value in use. The calculation of fair value less cost to sell is based on information available on sale transactions of similar assets or market price less additional costs to dispose of the asset.

3.11.2 Taxes

There are uncertainties regarding the interpretation of complex tax regulations and the amount and term of future taxable income. The long-term nature and the complexity of existing contractual instruments, differences between actual results and assumptions adopted, or future changes in these assumptions could require future adjustments in the already recorded revenue and tax expenses.

The Company sets up provisions, based on reasonable estimates of the possible consequences of audits by tax authorities in respective jurisdictions in which it operates.

The value of these provisions is based on various factors such as previous experience of tax audits and differing interpretations of tax regulations by the taxed entity and the respective tax authority. These differences of interpretation may arise on a wide variety of subjects depending on conditions prevailing in the Company's domicile.

Significant judgment from management is required to determine the value of deferred tax assets that can be recognized based on the probable term and level of future taxable income together with future tax planning strategies.

3.11.3 Provision for litigation

The Company recognizes provision for civil, tax and labor proceedings, as applicable. The assessment of the chances of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of the Company's outside legal counsel. These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions.

3.12 Cash flow statements

Cash flow statements were prepared by the indirect method and are presented in accordance with CPC 03 – Cash Flow Statements, issued by Brazilian FASB (CPC).

4. Cash and cash equivalents

	31.03.2014	31.12.2013
Cash and banks	**493**	762
	493	762

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or any other purposes.

5. Trade accounts receivable

	31.03.2014	31.12.2013
Accounts receivable - invoiced	**13,826**	13,604
Accounts receivable - invoices to be issued	**15,774**	9,435
	29,600	23,039

6. Related parties

	31.03.2014	31.12.2013
Current liabilities		
Satyam Serviços de Informática Ltda.	**90**	-
	90	-
Non-current liabilities		
Mutual	**5,482**	8,901
Satyam Serviços de Informática Ltda.	**2,981**	3,011
	8,463	11,912

Remuneration of key management

Expenses related to remuneration of key management personnel of the Company, recognized in P&L, totaled R$ 441 at March 31, 2014.

7. Equity

As of March 31, 2014, the capital is represented by 5.000.000 (Five million) shares amounts to R$ 1,00 recorded as follows:

Shareholders	**31.03.2014**	31.12.2013
Satyam Serviços de Informática Ltda.	**2,550**	2,550
Antônio Carlos Rossi	**2,450**	2,450
	5,000	5,000

8. Financial instrument and risk management

8.1 Risk management

As mentioned in Note 1, the Company primarily engaged in rendering consulting services related to information technology and implementation of projects involving SAP technology.

The key market risks faced by the Company in the normal course of its businesses are as follows:

- Credit risk: arises from possible difficulty in settling accounts receivable from customers. This risk is managed by means of a credit analysis policy.
- Market risk: Complex IT is exposed to market risk that can impact your cash flow.
- Liquidity risk: consists of the possibility of the Company not having sufficient funds to honor its commitments due to the different terms for settlement of its rights and obligations. The Company's liquidity and cash flow control is monitored by the Company's financial management department, to ensure that cash flow from operations and the previous funding, when necessary, are sufficient to meet its commitment schedule, not generating liquidity risks for the Company.

8.2 Fair value

We set out below a comparison between book value and fair value of the Company's financial instruments presented in the financial statements:

	Book value	**Fair value**
Financial assets	**31.03.2014**	**31.03.2014**
Cash and cash equivalents	493	493
Trade accounts receivable	29,600	29,600
Taxes recoverable	622	622
Other receivables	1,266	1,266
	31,981	**31,981**

Financial liabilities	31.03.2014	31.03.2014
Trade accounts payable	2,395	2,395
Tax liabilities	6,956	6,956
Loans and financing	7,071	7,071
Related parties	8,553	8,553
Other liabilities	-	-
	24.975	**24.975**

At March 31, 2014, the Company does not present balances arising from derivatives transactions.

9. Insurance coverage (unaudited)

At March 31, 2014, insurance coverage taken out is considered sufficient by management to cover losses, if any. As these refer to immaterial amounts, they were not audited.

10. Capital management

Management's objective is to ensure reduced exposure to market risk in order to attain the growth and return objective.

Following the global management policy, in order to reduce any risks, the Company maintains relationships only with first tier financial institutions.

11. Earnings per unit of interest

Calculation of basic earnings per unit of interest is made by dividing net income for the year attributed to holders of the Company's units of interest by the weighted average number of units of interest available in the period.

The chart below sets out net income and units of interest used in the calculation of basic and diluted earnings per unit of interest:

	31.03.2014
Basic and diluted earnings per unit of interest	
Numerator	
Net income for the year attributed to Company unit of interest holders (in thousands of Reais)	2,574
Denominator (in units of interest)	
Weighted average number of units of interest	5,000,000
Basic and diluted earnings per units of interest (in R$)	**0.515**

12. Commitments

a) Rents

The Company rents properties housing its head office.

Início	Término	Parcela mensal	Índice de remuneração	Location
24/04/2013	25/04/2016	72	IPCA	São Paulo
01/06/2013	01/06/2015	9	INPC	Rio de Janeiro

b) Guarantee letters

At March 31, 2014, the Company did not have guarantee letters with financial institutions.

A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil

INDEPENDENT AUDITOR´S REPORT ON FINANCIAL STATEMENTS

To

Shareholders, Board of Directors and Officers

Complex IT Solution Consultoria em Informática S.A.

São Paulo - SP

We have audited the accompanying financial statements of Complex IT Solution Consultoria em Informática S.A. ("Company"), which comprise the balance sheet as at March 31, 2015, and the related income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such, internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Those standards require that we comply with ethic requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the aforesaid individual and consolidated financial statements present fairly, in all material respects, the financial position of Complex IT Solution Consultoria em Informática S.A. as at March 31, 2015 and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the accounting practices adopted in Brazil.

São Paulo, May 8, 2015.

PADRÃO AUDITORIA $^{S}/_{S}$

CRC-2SP 016.650/O-7

YUKIO FUNADA

Contador CRC 1 SP 043.351/O-8

A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil

BALANCE SHEETS AS OF MARCH 31, 2015 AND 2014

(In Thousands of Reais)

	31.03.2015	31.03.2014
ASSETS		
CURRENT ASSETS	**40,612**	31,981
Cash and cash equivalents (Note 4)	**2**	493
Trade accounts receivable (Note 5)	**35,628**	29,600
Taxes recoverable	**884**	622
Other receivables	**4,098**	1,266
NON-CURRENT ASSETS	**3,566**	4,224
Property & equipment	**561**	244
Intangible assets	**3,005**	3,980
TOTAL ASSETS	**44,178**	36,205

LIABILITIES AND EQUITY

	31.03.2015	31.03.2014
CURRENT LIABILITIES	**29,081**	16,923
Trade accounts payable	**1,783**	2,395
Salaries and social charges	**8,626**	6,956
Tax liabilities	**650**	411
Loans and financing	**14,707**	7,071
Related parties (Note 6)	**3,266**	90
Other liabilities	**49**	-
NON-CURRENT LIABILITIES	**2,981**	8,463
Related parties (Note 6)	**2,981**	8,463
EQUITY	**12,116**	10,819
Capital (Note 7)	**5,000**	5,000
Retained earnings	**7,116**	5,819
TOTAL LIABILITIES AND EQUITY	**44,178**	36,205

See accompanying notes.

INCOME STATEMENTS AS OF MARCH 31, 2015 AND 2014

(In Thousands of Reais)

	31.03.2015	31.03.2014
		(Not audited)
Net operating revenue	**129,000**	118,240
Cost of services rendered	**(119,947)**	(107,672)
Gross profit	**9,053**	10,568
Operating income (expenses)		
General and administrative expenses	**(5,273)**	(4,666)
	(5,273)	(4,666)
Financial result		
Financial income	**830**	263
Financial expenses	**(2,314)**	(346)
	(1,484)	(83)
Income before income and social contribution taxes	**2,296**	5,819
Income tax and social contribution	**(999)**	-
Net income for the year	**1,297**	5,819
Earnings per unit of interest – R$ (Note 11)	**0.259**	1.164

The Company has no other comprehensive income.

See accompanying notes.

STATEMENTS OF CHANGES IN EQUITY AS OF MARCH 31, 2015 AND 2014

(In Thousands of Reais)

EVENTS	CAPITAL	RETAINED EARNINGS	TOTAL
Balances at 30.04.2013	5,000	-	5,000
Net income for the year	-	5,819	5,819
Balances at 31.03.2014	5,000	5,819	10,819
Net income for the year	-	1,297	1,297
Balances at 31.03.2015	**5,000**	**7,116**	**12,116**

See accompanying notes.

CASH FLOW STATEMENTS AS OF MARCH 31, 2015 AND 2014

(In Thousands of Reais)

	31.03.2015	31.03.2014 (Not audited)
Cash flow from operating activities		
Income before income and social contribution taxes	**2,296**	5,819
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities:		
Depreciation and amortization	**1,050**	921
Decrease (increase) in assets:		
Accounts receivable	**(6,028)**	(29,600)
Other receivables	**(3,094)**	(1,888)
Increase (decrease) in liabilities:		
Trade accounts payable	**(612)**	2,395
Payroll and social charges	**1,670**	6,956
Taxes payable	**239**	411
Other liabilities	**49**	-
Related parties	**(2,306)**	8,553
Payment of income tax and social contribution	**(999)**	-
Net cash provided by operating activities	**(7,735)**	(6,433)
Cash flow from investing activities		
Fixed asset purchases	**(392)**	(272)
Intangible assets purchases	**-**	(4,873)
Net cash used in investing activities	**(392)**	(5,145)
Cash flow from financing activities		
Capital increase	**-**	5,000
Increase (decrease) of loans and financing	**7,636**	7,071
Net cash provided by financing activities	**7,636**	12,071
Increase (decrease) in cash and cash equivalents	**(491)**	493
Cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	**493**	-
Cash and cash equivalents at the end of the year	**2**	493

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS AS OF MARCH 31, 2015 AND 2014

1. Operations

Complex IT Solution Consultoria em Informática S.A. ("Complex IT" ou "Company") is a privately-held corporation primarily engaged in rendering consulting services related to information technology and implementation of projects involving SAP technology. The Company is located in Sao Paulo city in Sao Paulo state.

On May 2, 2013, Tech Mahindra Serviços de Informática acquired 51% of Complex IT shares and on December 30, 2014 acquired the remaining 49%.

2. Basis for preparation and presentation of financial statements

Authorization to complete these financial statements was given at the General Meeting held on May 8, 2015.

The financial statements were prepared in accordance with several assessment bases used in the accounting estimates. Accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors, and in line with management's judgment to determine the appropriate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include selection of useful lives of property and equipment and their recoverability on operations in operations, measurement of financial assets at fair value and under the present value method, credit risk analysis to determine the allowance for doubtful accounts, as well as other risk analysis to determine other provisions, including provision for contingencies.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probability treatment inherent to the estimation process. The Company reviews its estimates and assumptions at least once a year.

The financial statements were prepared in accordance with accounting practices adopted in Brazil, which comprise the Brazilian Corporation Laws, the standards issued by the Brazilian Securities and Exchange Commission (CVM), and pronouncements, interpretations and guidance issued by the Brazilian FASB (CPC), as well as in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3. Summary of significant accounting practices

3.1 Translation of foreign currency-denominated balances

3.1.1 Functional and reporting currency

The Company's functional currency is the Brazilian real, same currency for preparation and presentation of the financial statements.

3.1.2 Transactions denominated in foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency (Real) using the exchange rate of balance sheet date. Gains and losses resulting from the restatement of these assets and liabilities due to exchange rate variation between transaction date and year end are recognized as financial income or financial expenses in the income statement.

3.2 Revenue recognition

Revenues are stated on the accrual basis of accounting. Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and when it can be reliably measured.

3.3 Taxation

3.3.1 Sales taxes

Sales and service revenues are subject to the taxes and social contributions below, at the following statutory rates:

- Social Contribution Tax on Gross Revenue for Social Integration Program (PIS) 0.65%;
- Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS) 3.0%;
- Service tax (ISS) – 2% à 5%.

3.3.2 Current income and social contribution taxes

Taxable profit comprises income and social contribution taxes. Income tax is calculated at a rate of 15%, plus a surtax of 10% on taxable profit exceeding R$240 over 12 months, whereas social contribution tax is computed at a rate of 9% on taxable profit, both recognized on an accrual basis; therefore additions to book income of temporarily nondeductible expenses or exclusions of temporarily non-taxable income upon determination of current taxable profit generate deferred tax assets or liabilities.

Prepaid or recoverable taxes are stated in current or non-current assets, according to the forecast of realization thereof.

3.4 Cash and cash equivalents

These include cash, bank account balances and short-term investments redeemable within 90 days from the transaction dates, subject to insignificant risk of change in their market value. Short-term investments included in cash equivalents are mostly classified as "financial assets at fair value through profit or loss".

3.5 Property & equipment

These are recorded at acquisition cost. Depreciation of assets is calculated on a straight-line basis and takes into consideration the estimated economic useful lives of assets.

A property and equipment item is written off when sold or when no future economic benefit is expected to arise from its use or sale. Gains or losses arising from derecognition of an asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the statement of income in the year which the asset is derecognized.

The net book value and useful lives of the assets and the depreciation methods are reviewed at year end, and adjusted prospectively, when applicable.

After calculating net book value of property and equipment for financial statement purposes, the Company determines whether it is necessary to recognize additional loss of property and equipment value aggregated with other assets, such as investments and intangible assets in cash-generating units.

Due to changes in Brazilian accounting practices on the path to full convergence with international standards, first-time adopters of Accounting Pronouncements CPC 27 (IAS 16) and CPC 28 (IAS 40) may elect to make adjustments to their opening balances similarly to those allowed by international financial reporting standards, using the deemed cost concept as provided for in CPC 37 (IFRS 1) and CPC 43.

3.6 Intangible assets

Intangible assets acquired separately are measured at cost upon their initial recognition. After initial recognition, intangible assets are stated at cost, less accumulated amortization and impairment. Intangible assets are represented by software and are amortized in 5 years.

The useful life of intangible assets is considered finite or indefinite.

Finite intangible assets are amortized over their economic useful lives and are tested for impairment whenever there is any indication of impairment loss. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Amortization of intangible assets with finite lives is recognized in the income statement in the expense category consistent with the use of the intangible asset.

In the years ended at March 31, 2015 and 2014, the Company did not have intangible assets with indefinite useful life.

Gains and losses arising from write-off of an intangible asset are measured as the difference between the net sales price and the book value of the asset, recognized in the income statement at the write-off of the asset.

3.7 Impairment of assets

Management annually reviews the net book value of assets in order to evaluate events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment. When such evidence is identified and the net book value exceeds the recoverable value, a provision for impairment is setup, adjusting the net book value to the recoverable value.

The recoverable value of an asset or group of assets is defined as the higher of value in use or the net sales value.

In estimating the asset's value in use, the estimated future cash flows are discounted to their present value, using a discount rate before taxes that reflects the weighted average cost of capital for the segment where the cash-generating unit operates. Whenever possible, the net sales value is determined based on firm sale agreements in transactions made on an arm's length basis between knowledgeable and willing parties, adjusted by expenses attributed to asset sales or, when there is no firm sale agreement, based on the market price of an active market, or the most recent transaction price with similar assets.

3.8 Provisions

3.8.1 General

Provisions are recognized when the Company has a legal or constructive obligation due to a past event, it is probable that economic resources will be required to settle it and a reliable estimate of the obligation amount may be made. When the Company expects that the amount of a provision will be refunded, in full or in part, the refund is recognized as a separate asset, but only when the refund is virtually certain. The expense related to any provision is stated in the income statement, net of any refund.

3.8.2 Provision for litigation

The Company is a party in judicial and administrative proceedings. Provisions are set up for all judicial proceedings involving probable cash outlays to settle them and that may be reliably estimated, if applicable.

The assessment of the likelihood of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance for the legislation in force, as well as the opinion of the Company's outside legal counsel.

These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions, if applicable.

The provision for contingencies is determined by management based on expected amount of loss involved by each contingency based on the opinion of the Company's legal advisors, for amounts considered sufficient to cover losses and risks, if applicable.

3.9 Financial instruments

The Company's financial instruments comprise trade accounts receivable, other receivables, trade accounts payable, other liabilities and related parties.

The instruments are only recognized as from the date the Company becomes a party to the contractual provisions of financial instruments.

They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, excepting financial assets and liabilities classified as at fair value through profit or loss, when such costs are directly posted to income statement for the year. They are subsequently measured at each balance sheet date in accordance with the rules established for each type of classification of financial assets and liabilities.

3.9.1 Financial assets: These are classified in the following categories based on the purpose for which they were acquired or issued:

a) *Financial assets at fair value through profit or loss*:

Include financial assets held for trading and financial assets initially recognized at fair value through profit or loss. Financial assets are classified as held for trading if acquired to be sold within short term.

The Company evaluated its financial assets at fair value through profit or loss since it intends to trade them within short term.

When the Company is unable to trade these financial assets as a consequence of market inactivity, and management intention of selling them in the near future changes significantly, the Company may opt to reclassify these financial assets in certain circumstances. The reclassification to loans and accounts receivable, available for sale or held to maturity, depends on asset nature. This evaluation does not affect any financial assets classified as at fair value through profit or loss using the option of fair value upon presentation.

b) *Loans and receivables:* Loans and receivables are non-derivative financial assets, with fixed or determinable payments, not quoted in an active market. After initial measurement, these financial assets are stated at amortized cost, using effective interest rate method, less impairment loss. Trade accounts receivable and other receivables were classified in this category.

3.9.2 Financial liabilities: These are classified in the following categories based on the nature of financial instruments taken out or issued:

a) *Financial liabilities at fair value through profit or loss:* These include financial liabilities held for trading and liabilities designated upon initial recognition at fair value through profit or loss.

They are classified as held for trading when acquired with the objective of sale or repurchase in the short term. Derivative financial instruments are classified as held for trading. They are measured at fair value at every balance sheet date.

Interest, monetary restatement, exchange variation and variations resulting from fair value valuation are recognized in P&L when incurred in financial income or expenses.

b) *Loans and financing:* Non-derivative financial liabilities that are not usually traded before maturity. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Interest, monetary and exchange variation, as applicable, are recognized in P&L when incurred. Trade accounts payable, other liabilities and related parties were classified in this category.

3.9.3 Market value: The market value of financial instruments actively traded in organized markets is determined based on quoted values in the market at balance sheet date. In case there is no active market, market value is determined through valuation techniques. These techniques include the use of recent market transactions between unrelated parties, reference to market value of similar financial instruments, analysis of discounted cash flows or other valuation models.

3.10 Present value adjustment of assets and liabilities

Non-current monetary assets and liabilities are adjusted at present value, and also current ones but only when the effect is considered significant in relation to the overall financial statements. Present value adjustment is calculated taking into consideration contractual cash flows and the express interest rate and, in certain cases, the implicit interest rate of the related assets and liabilities. As such, embedded interest in revenues, expenses and costs related to these assets and liabilities is discounted in order to be recognized on the accrual basis of accounting.

Subsequently, such interest is relocated in the lines of financial expenses and financial income in the income statement using the effective interest rate method in relation to the contractual cash flows. Applied implicit interest rates were determined based on assumptions and are considered accounting estimates.

3.11 Significant accounting judgments, estimates and assumptions

The Company's financial statements were prepared considering different valuation bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on objective and subjective factors, considering management's judgment to determine the appropriate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include the selection of the useful life of property and equipment items and their recoverability in operations; the evaluation of financial assets at fair value; assessment of the credit risk for the determination of the allowance for doubtful accounts, as well as the analysis of other risks to determine other provisions, including the provisions for guarantees, realization of tax credits and contingencies. Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the probabilistic treatment inherent to the estimate process. The Company periodically reviews its estimates and assumptions at least once a year.

3.11.1 Impairment of non-financial assets

Impairment loss exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less cost to sell and value in use. The calculation of fair value less cost to sell is based on information available on sale transactions of similar assets or market price less additional costs to dispose of the asset.

3.11.2 Taxes

There are uncertainties regarding the interpretation of complex tax regulations and the amount and term of future taxable income. The long-term nature and the complexity of existing contractual instruments, differences between actual results and assumptions adopted, or future changes in these assumptions could require future adjustments in the already recorded revenue and tax expenses.

The Company sets up provisions, based on reasonable estimates of the possible consequences of audits by tax authorities in respective jurisdictions in which it operates.

The value of these provisions is based on various factors such as previous experience of tax audits and differing interpretations of tax regulations by the taxed entity and the respective tax authority. These differences of interpretation may arise on a wide variety of subjects depending on conditions prevailing in the Company's domicile.

Significant judgment from management is required to determine the value of deferred tax assets that can be recognized based on the probable term and level of future taxable income together with future tax planning strategies.

3.11.3 Provision for litigation

The Company recognizes provision for civil, tax and labor proceedings, as applicable. The assessment of the chances of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of the Company's outside legal counsel. These provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute-barring period, conclusions of tax audits or additional exposures found based on new issues or court decisions.

3.12 Cash flow statements

Cash flow statements were prepared by the indirect method and are presented in accordance with CPC 03 – Cash Flow Statements, issued by Brazilian FASB (CPC).

4. Cash and cash equivalents

	31.03.2015	31.03.2014
Cash and banks	**2**	493
	2	493

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or any other purposes.

5. Trade accounts receivable

	31.03.2015	31.03.2014
Accounts receivable - invoiced	**19,529**	13,826
Accounts receivable - invoices to be issued	**16,099**	15,774
	35,628	29,600

6. Related parties

	31.03.2015	31.03.2014
Current liabilities		
Mutual	**3,266**	-
Tech Mahindra Serviços de Informática Ltda.	**-**	90
	3,266	90
Non-current liabilities		
Mutual	**-**	5,482
Tech Mahindra Serviços de Informática Ltda.	**2,981**	2,981
	2,981	8,463

Remuneration of key management

Expenses related to remuneration of key management personnel of the Company, recognized in P&L, totaled R$1,764 at March 31, 2015.

7. Equity

As of March 31, 2015, the capital is represented by 5.000.000 (Five million) shares amounts to R$1.00 recorded as follows:

Shareholders	**31.03.2015**	31.03.2014
Tech Mahindra Serviços de Informática Ltda.	**5,000**	2,550
Mr. Antônio Carlos Rossi	**-**	2,450
	5,000	5,000

8. Financial instrument and risk management

8.1 Risk management

As mentioned in Note 1, the Company primarily engaged in rendering consulting services related to information technology and implementation of projects involving SAP technology.

The key market risks faced by the Company in the normal course of its businesses are as follows:

- Credit risk: arises from possible difficulty in settling accounts receivable from customers. This risk is managed by means of a credit analysis policy.
- Market risk: Complex IT is exposed to market risk that can impact your cash flow.
- Liquidity risk: consists of the possibility of the Company not having sufficient funds to honor its commitments due to the different terms for settlement of its rights and obligations. The Company's liquidity and cash flow control is monitored by the Company's financial management department, to ensure that cash flow from operations and the previous funding, when necessary, are sufficient to meet its commitment schedule, not generating liquidity risks for the Company.

8.2 Fair value

We set out below a comparison between book value and fair value of the Company's financial instruments presented in the financial statements:

	Book value	**Fair value**
Financial assets	**31.03.2015**	**31.03.2015**
Cash and cash equivalents	**2**	**2**
Trade accounts receivable	**35,628**	**35,628**
Taxes recoverable	**884**	**884**
Other receivables	**4,098**	**4,098**
	40,612	**40,612**

Financial liabilities	**31.03.2015**	**31.03.2015**
Trade accounts payable	**1,783**	**1,783**
Tax liabilities	**650**	**650**
Loans and financing	**14,707**	**14,707**
Related parties	**6,247**	**6,247**
Other liabilities	**49**	**49**
	23,436	**23,436**

At March 31, 2015 and 2014, the Company does not present balances arising from derivatives transactions.

9. Insurance coverage (unaudited)

At March 31, 2015, insurance coverage taken out is considered sufficient by management to cover losses, if any. As these refer to immaterial amounts, they were not audited.

10. Capital management

Management's objective is to ensure reduced exposure to market risk in order to attain the growth and return objective.

Following the global management policy, in order to reduce any risks, the Company maintains relationships only with first tier financial institutions.

11. Earnings per unit of interest

Calculation of basic earnings per unit of interest is made by dividing net income for the year attributed to holders of the Company's units of interest by the weighted average number of units of interest available in the year.

The chart below sets out net income and units of interest used in the calculation of basic and diluted earnings per unit of interest:

	31.03.2015	31.03.2014
		(Not audited)
Basic and diluted earnings per unit of interest		
Numerator		
Net income for the year attributed to Company unit of interest holders (in thousands of Reais)	**1,297**	5,819
Denominator (in units of interest)		
Weighted average number of units of interest	**5,000,000**	5,000,000
Basic and diluted earnings per units of interest (in R$)	**0.259**	1.164

12. Commitments

a) Rents

The Company rents properties housing its head office.

Initiation	End	Installments	Index	Location
24.04.2013	25.04.2016	R$72	IPCA	São Paulo
01.06.2013	01.06.2015	R$9	INPC	Rio de Janeiro

b) Guarantee letters

At June 30, 2014, the Company has capitalized an amount of R$14,000 related to loans firmed with Bradesco Bank and Santander bank. The former CEO provided personal guarantees. As of March 31, 2015, the loans with guarantee have an amount of R$12,986.

SATYAM COLOMBIA SERVICOS DE INFORMATICA SAS

Legal Representative and Country Manager

Mr. Antonio Alberto Rosati

Registered Office

K R 46 93 84 - Bogota - Colombia

Bankers

BANCO DAVIVIENDA S.A.

Auditors

Korlepara Krishna Rao & Co.,

Chartered Accountants

MANAGER'S REPORT

TO THE SHAREHOLDERS,

This report together with the audited accounts of SATYAM COLOMBIA SERVICOS DE INFORMATICA S.A.S for the year ended December 31, 2014.

Financial Results:

Currency: COP

For the year ended	**December 31, 2014**	December 31, 2013
Income	**723,465,468**	512,120,089
Profit/(Loss) before tax	**104,643,400**	12,414,169
Profit/(Loss) after tax	**55,738,400**	(219,831)

Review of Operations:

The Company started its business operations during end of the year 2013 and providing consulting and information technology ('IT') services in Colombia. During the year under review, the Company recorded revenue from Ford Colombia customer as disclosed above.

Acknowledgements:

Your Manager gratefully thank all of the customers, suppliers, bankers and Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Antonio Alberto Rosati
Legal Representative.
Date: 21st May, 2015

AUDITORS REPORT

To

Tech Mahindra Limited.

We have audited the attached financials of M/s. SATYAM COLOMBIA SERVICOS DE INFORMATICA S.A.S, Colombia, which consists of Balance Sheet as at 31st December, 2014, the statement of Profit & Loss and Cash Flow Statement for the year then ended, and summary of the significant accounting policies and notes annexed there to and report that: -

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit,

b) In our opinion, the Company has maintained proper books of accounts as required by local law as it appears from our examinations of such books;

c) The Balance Sheet and Profit & Loss account referred to this report are in agreement with the books of accounts;

d) In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit & Loss account prepared in accordance with Indian GAAP, give a true and fair view.

   1) In the case of Balance Sheet, of the state of affairs of the Company as at 31st December, 2014 and,

   2) In the case of the Statement of Profit and Loss, of the profit/loss of the Company for the year ended on that date; and

   3) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Korlepara Krishna Rao & Co.,
Chartered Accountants

Place: Hyderabad

Date : 21st May, 2015.

(K.Krishna Rao)
Proprietor
M.No.200 068
FRNo. 006664S

BALANCE SHEET AS AT DECEMBER 31, 2014

		Note		December 31, 2014	Currency COP December 31, 2013
I.	**EQUITY AND LIABILITIES**				
1	**Shareholders' Funds**				
	(a) Share Capital	2	**41,000,000**		41,000,000
	(b) Reserves and Surplus	3	**55,518,569**		(219,831)
				96,518,569	40,780,169
2	**Current Liabilities**				
	(a) Trade Payables	4	**83,421,950**		316,665,085
	(b) Other Current Liabilities	5	**2,893,000**	**86,314,950**	216,600,204
				182,833,519	574,045,458
II.	**ASSETS**				
1	**Non-Current Assets**				
	(a) Long-Term Loans and Advances	6		**102,602,202**	52,210,931
2	**Current Assets**				
	(a) Trade Receivables	7	**-**	**-**	398,536,541
	(b) Cash and Bank Balances	8	**80,231,318**	**80,231,318**	123,297,986
				182,833,520	574,045,458
	Notes forming part of the financial statements	**2 to 12**			

In terms of our report attached

For Korlepara Krishna Rao & Co.,
Chartered Accountants

K. Krishna Rao
Proprietor
M.No. 200 068
Date: 21st May, 2015

Statement of Profit and Loss for the Year ended December 31, 2014

Currency COP

		Note	December 31, 2014	December 31, 2013
I.	Revenue from Services		**723,465,468**	512,120,089
II.	Other Income	9	**23,860,716**	637
III.	**Total Revenue (I + II)**		**747,326,184**	512,120,726
IV.	**Expenses:**			
	Subcontracting Expenses		**607,710,993**	430,180,874
	Operating and Other Expenses	10	**27,685,103**	69,467,683
	Finance Costs	11	**7,286,688**	58,000
	Total Expenses		**642,682,784**	499,706,557
V	**Profit Before Exceptional Items and Tax (III - IV)**		**104,643,400**	12,414,169
VI	**Tax Expense:**			
	- Current Tax	12	**48,905,000**	12,634,000
VII	**Profit after Tax (V - VI)**		**55,738,400**	(219,831)
	Notes forming part of the financial statements	2 to 12		

In terms of our report attached

For Korlepara Krishna Rao & Co.,
Chartered Accountants

K. Krishna Rao
Proprietor
M.No. 200 068
Date: 21st May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014

		December 31, 2014	Currency COP December 31, 2013
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/ (Loss) before Tax	**104,643,400**	12,414,169
	Adjustments for :		
	Finance costs	**(7,286,688)**	(58,000)
	Operating profit before working capital changes	**97,356,712**	12,356,169
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Trade receivables	**398,536,541**	(398,536,541)
	Long-term loans and advances	**(50,391,271)**	(52,210,931)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	**(233,243,135)**	316,665,085
	Other current liabilities	**(213,707,204)**	216,600,204
Cash generated from operations		**(1,448,357)**	94,873,986
Net income tax paid		**(48,905,000)**	(12,634,000)
Net cash flow from/ (used in) operating activities (A)		**(50,353,357)**	82,239,986
B.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of equity shares	**-**	41,000,000
	Finance costs	**7,286,688**	58,000
	Net cash flow used in financing activities (C)	**7,286,688**	41,058,000
	Net increase/ (decrease) in Cash and cash equivalents (A + B + C)	**(43,066,669)**	123,297,986
	Cash and cash equivalents at the beginning of the year		-
	Effect of exchange differences on translation of foreign currency Cash and cash equivalents		-
	Cash and cash equivalents at the end of the year	**(43,066,669)**	123,297,986
Notes:			
(i) Reconciliation of Cash and cash equivalents with the Balance sheet			
Cash and cash equivalents as per Balance Sheet		**80,231,318**	123,297,986
Less: In earmarked accounts			
-	Unpaid dividend accounts		
-	Balances held as margin money/security towards obtaining bank guarantees		
Cash and cash equivalents at the end of the year*		**80,231,318**	123,297,986
* Comprises			
(c)	Balances with banks		
	(i) In current accounts	**80,231,318**	123,297,986
Total		**80,231,318**	123,297,986

In terms of our report attached

For Korlepara Krishna Rao & Co.,
Chartered Accountants

K. Krishna Rao
Proprietor
M.No. 200 068
Date: 21st May, 2015

Note 2: Share Capital

Currency COP

Share Capital	**Face Value**	**As at December 31, 2014**		As at December 31, 2013	
		Number	**Amount**	Number	Amount
Authorised					
Equity Shares (COP)	1	**50,000,000**	**50,000,000**	50,000,000	50,000,000
Issued, Subscribed & Paid up					
Each Equity Shares (COP)	1	**41,000,000**	**41,000,000**	41,000,000	41,000,000
		41,000,000	**41,000,000**	41,000,000	41,000,000

Disclosure pursuant Part I of Schedule VI to the Companies Act, 1956

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	**December 31, 2014**		December 31, 2013	
	Equity Shares		Equity Shares	
	Number	**Amount**	Number	Amount
Shares outstanding at the beginning of the period	**41,000,000**	**41,000,000**	-	-
Shares Issued during the period	**-**	**-**	41,000,000	41,000,000
Shares bought back during the period	**-**	**-**	-	-
Shares outstanding at the end of the period	**41,000,000**	**41,000,000**	41,000,000	41,000,000

No of shares held by each shareholder holding more than 5 percent equity shares of the Company are as follows:

Name of Shareholder	**December 31, 2014**		December 31, 2013	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Tech Mahindra Servicos De Informatica LTDA (formerly Satyam Servicos De Informatica LTDA, Brazil)	**41,000,000**	**100%**	41,000,000	100%

Note 3: Reserves and Surplus

Currency COP

	As at December 31, 2014	As at December 31, 2013
I. Surplus in Statement of Profit and Loss		
Opening balance	**(219,831)**	-
Add: Net Profit for the half year/year	**55,738,400**	(219,831)
Closing Balance	**55,518,569**	(219,831)

Note 4: Trade Payables

Currency COP

	As at December 31, 2014	As at December 31, 2013
Trade Payables:		
Dues to Others	**83,421,950**	316,665,085
	83,421,950	316,665,085

Note 5: Other Current Liabilities

		Currency COP
	As at	As at
	December 31, 2014	December 31, 2013
- Advance from Customers	**-**	722,204
- Statutory remittances	**2,893,000**	215,878,000
	2,893,000	216,600,204

Note 6: Long Term Loans and Advances

		Currency COP
	As at	As at
	December 31, 2014	December 31, 2013
- Advance Income Taxes (Net of provisions)	**102,602,202**	52,210,931
	102,602,202	52,210,931

Note 7: Trade Receivables

		Currency COP
	As at	As at
	December 31, 2014	December 31, 2013
Trade Receivables (Unsecured)		
- Over six months		
Considered Good**	**-**	-
Considered Doubtful	**-**	-
	-	-
- Others		
Considered Good**	**-**	398,536,541
Considered Doubtful	**-**	-
	-	398,536,541
Less: Provision for Doubtful Debts	**-**	-
	-	398,536,541

1. * Net of advances aggregating to COP NIL (previous year: NIL) pending adjustments with invoices
2. ** Net of advances aggregating to COP. NIL (previous year: NIL) pending adjustments with invoices

Note 8: Cash and Bank Balances

		Currency COP
	As at	As at
	December 31, 2014	December 31, 2013
Cash and Bank Balances		
- Balances with Banks		
In Current Accounts	**80,231,318**	123,297,986
	80,231,318	123,297,986

Note 9: Other Income

		Currency COP
	As at	As at
	December 31, 2014	December 31, 2013
Miscellaneous Income	**23,860,716**	637
	23,860,716	637

Table 1 : Miscellaneous Income

Particulars		
Other Miscellaneous Income	**6,200,840**	637
Sundry Balance write back	**3,856,004**	-
Foreign Exchange Gain/(Loss) - (net)	**(5,468,107)**	-
Discount earned	**19,271,979**	-
Total	**23,860,716**	637

Note 10: Operating and Other Expenses

		Currency COP
	As at	As at
	December 31, 2014	December 31, 2013
Rates and Taxes	**6,295,076**	5,235,309
Professional and Legal Fees	**-**	39,000,000
Miscellaneous Expenses	**21,390,027**	25,232,374
	27,685,103	69,467,683

Note 11: Finance Costs

		Currency COP
	As at	As at
	December 31, 2014	December 31, 2013
Other Interest	**7,286,688**	58,000
Total	**7,286,688**	58,000

Note 12 : Details of Taxation

		Currency COP
	As at	As at
	December 31, 2014	December 31, 2013
Current Tax	**48,905,000**	12,634,000
Total	**48,905,000**	12,634,000

Significant Accounting Policies and Notes forming part of the financial statements for the year 2014

1. Corporate information:

SATYAM COLOMBIA SERVICOS DE INFORMATICA SAS (hereinafter referred to as 'SCSIS' or 'the Company') was incorporated on 2nd August, 2012 and has its registered office at GPJ2A CARRERA 46 # 93-84, BOGOTA DC, COLOMBIA - 11001. The Company started its business operations during end of the year 2013. The Company is a step down subsidiary of Tech Mahindra Servicos De Informatica LTDA (formerly Satyam Servicos De Informatica LTDA) which is a wholly owned subsidiary of Tech Mahindra Limited, India, (erstwhile Satyam Computer Services Limited, India which now merged with Tech Mahindra Limited). The company is a provider of consulting and information technology ('IT') services. This company focuses on business in Colombia Region.

2. SIGNIFICANT ACCOUTNING POLICIES:

2.1 Basis of preparation of financial statements

The financial statements for the year ended 31st December, 2014 are prepared in accordance with the generally accepted accounting principles in India (GAAP) under the historical cost convention.

2.2 Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand.

Revenue recognition

Revenue from operations

The Company is primarily a service company rendering IT consulting and software development services.

Revenue from services consist of revenue earned from services performed on a 'time and material' basis. The related revenue is recognized as and when the services are rendered and related costs are incurred and when there is no significant uncertainty in realizing the same. Revenue from fixed price, fixed time frame contracts are recognised using the percentage of completion (PoC) method of accounting.

Revenue recognition is based on the terms and conditions as per the contracts entered into with the customers on accrual basis. Revenue is recognized to the extent that is probable that economic benefits will flow to the Company and when it can be reliably measured.

Unbilled revenue: In respect of services rendered during the year remaining unbilled as at the Balance Sheet date as well as those services relating to the current year billed subsequently, proper cut-off procedures were instituted and the required adjustments have been carried out in the financial statements.

Interest income

Interest income is recognized using the time proportion method, based on the transactional interest rates.

2.3 Use of estimates

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.4 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of past events, the settlement of which is expected to result in an outflow of resources from the Company and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

3. NOTES TO ACCOUNTS

3.1 In the opinion of the management, Current assets, Loans & Advances have a value on realization, in ordinary course of business, at least equal to the amount at which these are stated in the balance sheet.

3.2 Provisions Commitments and Contingencies:

There are no pending legal actions, including arbitrations and other litigation, arising in connection with the Company's activities as at 31st December, 2014.

3.3 Related Party Transactions:

Below is the summary of related party transactions for the period as per the terms of the contract and balances at the end of the year.

Amount in COP

Name of the Related party and transactions:	**For the year 2014**	For the year 2013
Tech Mahindra Limited (for consultancy services received)	607,710,993	430,180,874
Related party balances:	**As at 31-Dec-2014**	As at 31-Dec-2013
Tech Mahindra Limited (Accounts Payable)	83,421,950	430,180,874

For Korlepara Krishna Rao & Co.,
Chartered Accountants

K. Krishna Rao
M. No. 200 068
Place: Hyderabad
Date: 21st May, 2015

SATYAM COMPUTER SERVICES DE MEXICO S.DE.R.L.DE.C.V

Legal Representative and Country Manager

Mr. Pablo Gallegos

Registered Office

BLVD,MANUEL A,CAMACHO 184 PISO 12 EDIF,

CAPITAL REFORMA SOCIAL DISTRITO,

FEDERAL CP 11650

Bankers

Citi Bank NA

Auditors

Salles Sainz Grant Thornton

Independent Auditors' Report

To the Partners of

Satyam Computer Services de México, S. de R.L. de C.V.:

We have audited the accompanying financial statements of Satyam Computer Services de México, S. de R.L. de C.V., which comprise the statement of financial position as of March 31, 2015, and the statement of income, changes in partners' investment and cash flows for the period of January 1 to March 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Mexican Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements by the Company, in order to design audit procedures that are appropriate based on the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall financial statements presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Satyam Computer Services de México, S. de R.L. de C.V. as of March 31, 2015, and the results of its operations, changes in partners' investment and its cash flows for the period of January 1 to March, 31 2015, in accordance with Mexican Financial Reporting Standards.

SALLES, SAINZ – GRANT THORNTON, S.C.

By: Guillermo Segura Herrera, C.P.C.

Mexico City, Mexico

April 22, 2015

STATEMENT OF FINANCIAL POSITION

	As of March 31, 2015 (Amounts stated in pesos $)
Assets	
Current	
Cash	**6,652,399**
Other accounts receivables:	
Value added tax	**49,231**
Loans and advances	**3,000**
	52,231
Prepaid expenses	**20,469**
Total current assets	**6,725,099**
Other assets	**40,515**
Total assets	**6,765,614**
Liabilities	
Short term	
Provisions	**1,153,574**
Taxes payable	**78,398**
Total liabilities	**1,231,972**
Partners' investment	
Capital stock	**6,903,000**
Accumulated losses	**(1,369,358)**
Total partners' investment	**5,533,642**
Total liabilities and partners' investment	**6,765,614**

The accompanying notes are an integral part of this statement of financial position.

STATEMENT OF INCOME

From January 1 to March 31, 2015
(Amounts stated in pesos $)

Operating expenses	**1,367,842**
Result of financing:	
Interest charge	**(198)**
Exchange loss, net	**(1,318)**
	(1,516)
Net loss for the period	**(1,369,358)**

The accompanying notes are an integral part of this financial statement.

STATEMENT OF CHANGES IN PARTNERS' INVESTMENT

From January 1 to March 31, 2015
(Amounts stated in pesos $)

Capital stock at beginning and end of the period	**6,903,000**
Net loss for the period	**(1,369,358)**
Accumulated losses at end of the period	**(1,369,358)**
Total partners' investment	**5,533,642**

The accompanying notes are an integral part of this financial statement.

STATEMENT OF CASH FLOWS

	From January 1 to March 31, 2015 (Amounts stated in pesos $)
Operating:	
Net loss for the period	**(1,369,358)**
Other accounts receivables	**(52,231)**
Prepaid expenses	**(20,469)**
Other assets	**(40,515)**
Provisions	**1,153,574**
Taxes payable	**78,398**
Net cash flows from operating activities	**(250,601)**
Increase in cash during the period	**(250,601)**
Cash at beginning of the period	**6,903,000**
Cash at end of the period	**6,652,399**

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

(Amounts stated in pesos $)

1 Description of Business:

Satyam Computer Services de México, S. de R.L. de C.V. (the Company) was incorporated on June 30, 2008 and its main activity is to provide computing consulting services.

2 General information:

The Company was incorporated on the legal form of “sociedad de responsabilidad limitada de capital variable”, it is a subsidiary of Tech Mahindra Limited, located in India in a 99.99%, and performs its business operation in Blvd. Manuel Avila Camacho No. 184-12, Col. Reforma Social, Miguel Hidalgo, Mexico City.

3 Significant accounting policies:

a. Bases for the preparation and presentation of the financial information

The accompanying financial statements have been prepared in accordance with the Financial Reporting Standards (NIF for its Acronym in Spanish) as issued by the Mexican Board of Financial Reporting Standards (CINIF for its Acronym in Spanish).

The accompanying financial statements and their notes were authorized to be issued on April 22, 2015 by Mr. Pablo Gallegos, Country Manager and Mr. Uttiya Sengupta, Finance Controller; consequently, they do not reflect events beyond that date.

The General Corporate Law and the by-laws of the Company, grant partners the possibility to amend the financial statements after issuing them. The accompanying financial statements will be submitted for approval at the General Partners’ Annual Meeting.

b. Changes in accounting policies from adoption of new NIF

An overview of released new NIF and NIF Improvements, which are effective in subsequent years, is shown in Note 11.

c. Statement of income

The statement of income shows the expenses based on their function, due to this presentation is consistent with corporate accounting practices.

The statement of income is presented in a single statement. The Company does not have any effect should be recognized as comprehensive income.

d. Statement of cash flows

The statement of cash flows has been prepared using the indirect method, which consists of presenting income or loss before taxes firstly and then changes in working capital, investing activities, and finally, financing activities.

e. Cash

Cash comprises cash on hand and bank deposits in checking accounts.

f. Prepaid expenses

Prepayments represent benefits for which, the receiving goods or services, including their inherent risks, have not yet been delivered and/or transferred to the Company.

g. Foreign currency transactions

Foreign currency transactions are recorded at the prevailing exchange rate at the time they are carried out. Foreign currency denominated assets and liabilities are restated at the applicable end-of-period exchange rates. Exchange gains or losses form part of the result of financing, affecting net loss of the period.

h. Employee benefits

Payments to employees and workers, who no longer render their services, as provided for in the Federal Labor Law, are recorded as shown below:

Indemnifications-

Indemnifications, other than retirement, intended to personnel retiring because of different circumstances, other than corporate reorganizations, are charged to income of the period they are paid. Additionally, accruals are determined based on the weighted average of related payments made in a three to five year period, and when payment probability is assessed.

As of March 31, 2015, the Company had not quantified and recorded the liability for employee benefits as provided in NIF D-3 and it was not possible to determine its relative effect. However, the foregoing is not considered to have a material effect on the Company’s financial statements taken as a whole, due to the reduced number of employees it had at that date.

i. Income tax and employee profit sharing, prepaid or deferred

Provisions for income tax (ISR for its Spanish acronym) and employee profit sharing (PTU for its Spanish acronym) are recorded in income for the period they become payable. Also, a deferred effect related to these items is included, arising from temporary differences resulting from comparing book and tax values of assets and liabilities, including the benefit of tax loss carry forwards. A deferred asset is recorded only when there is a high likelihood that it can be recovered. Deferred taxes are determined using enacted tax rates that are estimated will be effective on the dates temporary items shall be reversed or realized.

Current and deferred PTU is considered an ordinary expense associated to employee benefits.

j. Use of estimates

In preparing the financial statements, the Company's Management has used various estimates and assumptions related to the presentation of assets and liabilities, and disclosure of contingent assets and liabilities, such as provisions, in order to present its financial information, in conformity with Mexican Financial Reporting Standards. Actual amounts can differ from these estimates and assumptions.

k. Comprehensive loss

The amount of comprehensive loss is the result of the total Company performance during the quarter ended March 31, 2015 and is basically represented by net loss for the period as shown in the statement of changes in partners' investment.

4 Provisions:

	$
Personnel services provision	830,749
Audit and tax fees provision	113,872
Recruitment fees provision	196,759
Processing payroll fees provision	12,194
	1,153,574

5 Foreign currency position:

As of March 31 and April 22, 2015, date of issuance of the auditors' report, the exchange rates per one US dollar, were $15.2427 and $15.3837, respectively.

As of March 31, 2015, the Company has liabilities denominated in US dollars in the amount of $ 50,963.

As of April 22, 2015, the foreign currency position (unaudited) of the Company is similar to the position as of March 31, 2015.

6 Partners' investment:

a. Capital stock

As at March 31, 2015, the partners' investment is comprised of three partnership shares, as shown below:

Partnership shares	Description of the series	Amount $
2	Series "A" represents the fixed portion of capital stock with no retirement rights	3,000
1	Series "B" represents the variable portion of capital stock with retirement rights	6,900,000
3	Historical capital stock	6,903,000

b. Capital reductions

As of March 31, 2015, the restated balance of the "restated paid-in capital account" (CUCA for its acronym in Spanish) amounts to $ 6,972,437. Any reimbursement paid to partners that exceeds the foregoing amount should be treated as a distributed earning for tax purposes.

Likewise, in the event that partners' investment should exceed the balance of the CUCA, such excess will be considered as a dividend or distributed earning subject to income tax. However, if such assessed earning distribution or dividend does not exceed the CUFIN balance, there will be no tax payable due to the capital decrease or reimbursement.

7 Income tax (ISR):

For the period ended in March 31, 2015, the Company determined a tax loss carryforward in the amount of $ 236,254, which differs from net loss for the period due to the provisions and the prepaid expenses.

8 Deferred income tax:

As of March 31, 2015 the asset resulting from the cumulative effect of deferred income tax is analysed as follows:

	$
Excess of tax over book value of assets and liabilities, net	**1,369,358**
Income tax rate	**30%**
Deferred income tax asset	**410,807**
Valuation reserve	**(410,807)**
	-

This net deferred income tax asset arises basically from the excess of book over tax value of provisions, and the prepaid expenses. As of March 31, 2015, given the uncertainty that the Company will be able to generate taxable income in future periods in a sufficient amount that enables it to recover this deferred income tax asset, the Company's management has decided not to record it.

9 Employee profit sharing current and deferred:

During the period ended March 31, 2015, the Company did not generate an employee profit sharing basis.

As of March 31, 2015, the Company generated a deferred employee profit sharing in an amount of $113,310, but due to its immateriality and the uncertainty that the Company will be able to generate taxable income in future periods, the Company's management has decided not to record it.

10 Contingencies:

a. In accordance with currently enacted tax legislation, the authorities have the power to review up to the five years prior to the last income tax return filed.

b. Beginning December 1, 2012, the amendments to the Federal Labor Law went into effect in Mexico.

   As at March 31, 2015, and the date of the auditor's report, the Company Management and its attorneys have considered that these amendments do not turn into significant effects to the Company.

11 Changes in Financial Reporting Standards, effective January 1, 2015 or later:

At the date of approval of the accompanying financial statements, the CINIF has announced the issue of the following new Financial Reporting Standards (NIF).

Standards which are effective in subsequent years

NIF C-3, Accounts receivable

- States that accounts receivable based on a contract represent a financial instrument; while others, derived from legal or fiscal provisions, although certain financial instrument characteristics may exist, they are not considered financial instruments.
- States that allowance for doubtful accounts is recognized at the moment revenue is accrued, based on expected estimated losses, and separately presented in expenses if significant within the statement of comprehensive income.
- States that, from their initial recognition (of an AR), value of money in time should be considered, as if the present value (of an AR) is significant based on its term, it should be adjusted upon such present value. Present value is significant when is arranged for full or partial payment in more than one year; as financing is assumed in the transaction.
- An analysis of changes between beginning and ending balance of any doubtful reserve should be disclosed.

NIF C-9, Provisions, Contingencies and Commitments

- First adoption of this standard does not generate accounting changes. Main amendments of this standard are: a) financial liabilities are no longer addressed in this standard, rather, they were included in NIF-19, b) definition of liability is modified, the term virtually unavoidable was changed to probable.

NIF D-3, Employee Benefits

Effective for fiscal years beginning on January 1, 2016 with retroactive effects. Earlier adoption beginning on January 1, 2015 is allowed. Main amendments are:

a) Classification of short-term direct benefits was modified; and recognition of deferred employee profit sharing (PTU) was reconfirmed, by clearing out the bases for which it should be recognized.

b) Termination benefit bases were modified, to identify from labor disassociation payments, which of them really meet post-employment benefit conditions, and which are termination benefits, provided that post-employment benefits require pre-existing conditions are present for them to be granted.

c) In post-employment benefits, main changes are: a) accounting recognition of multi- employer plans, governmental plans, and those from entities under common control was modified; b) recognition of the liability (asset) for net defined benefits, was modified; c) bases for determination of actuarial hypothesis of the discount rate were modified and extended; d) recognition of the Labor Cost of Past Services (LCPS), and Anticipated Liquidations of Obligations (ALO) were modified, and now require immediate recognition in net income; e) definition of plan assets was extended, and the approach of net interest for the recognition of interest gains was adopted; valuation of disbursements was also modified, and the requirements for their recognition were introduced; and f) there are changes in the disclosures of defined benefit plans.

d) Re-measurements. For the treatment of the Plan Income or Loss (PIL), the recognition of post-employment benefits was eliminated from the broker approach or fluctuation band; that is, deferment of PIL is no longer allowed; rather, it should be recognized immediately in the provision as it is accrued; however, such recognition should be treated as a re-measurement within Other Comprehensive Income (OCI), and will be mandatorily subject to further recycling in net income.

e) Plan assets top. Identifies a top of the plan asset, indicating which resources provided by the entity do not qualify as such.

f) Recognition in net income of PM, PR and ALO. For post-employment benefits, the following should be recognized immediately in net income: Total labor cost of past service (LCPS) of the plan modifications (PM), personnel reductions (PR), and gains or losses for anticipated liquidations of obligations (ALO).

g) Discount rate – Sets forth that discount rate of ODB in defined benefits, is based on high quality corporate bonds rate with a deep market, or otherwise, based in governmental bonds.

h) Termination benefits – An analysis is required to determine whether payments for disassociation or separation qualify as either termination benefits or post-employment benefits. If there is a non-accrued benefit with no pre-existing conditions it is a termination benefit, and therefore, it should be recognized until the event happens. However, if there are pre-existing conditions, either by contract, by law, or payment practices, it is considered an accrued benefit and should be recognized as post-employment benefit.

Improvements to NIF 2015

In addition to the standards described above, in 2014 CINIF released Improvements to NIF 2015. Main changes to NIF improvements are effective January 1, 2015, and are described in the next page.

Improvements to NIF that arise accounting changes:

Bulletin C-9, Liabilities, provisions, contingent assets and liabilities, and commitments

Sets forth that prepayments from customers denominated in foreign currency should be recognized at the exchange rate of the transaction's date; that is, at historical exchange rate, as defined in NIF B-15, Translation of Foreign Currencies. Such amounts should not be restated for further exchange rate fluctuations between the functional currency and the foreign currency to which related goods or services prices are denominated and prepaid.

Improvements to NIF that do not arise accounting changes:

NIF B-13, Events, subsequent to the date of the financial statements, and Bulletin C-9 Liabilities, provisions, contingent assets and liabilities, and commitments

Set forth disclosure requirements when the entity is clearly under going concern conditions.

NIF B-15, Translation of Foreign Currencies

Clarifications are included in regard to the following definitions: foreign transaction, exchange rate, and, further translation of non-monetary items in foreign currency transactions.

SATYAM COMPUTER SERVICES (EGYPT) S.A.E

Liquidator

Mr. Amgad Kamel, CPA

Office

Smart Village, Abou Rawash,
Cairo Alexandria Desert Road,
Tower 2, (West Tower)
Second Floor,
GIZA

Liquidator Address

HLB Fathy Kamel
Attention : Mr. Amgad Kamel
Managing Partner
2 Maarouf St, Downtown, 11111
Cairo, Egypt

Bankers

BNP PARIBAS SAE, EGYPT

Auditors

Korlepara Krishna Rao & Co.,
Chartered Accountants

SATYAM COMPUTER SERVICES (EGYPT) S.A.E, a 100% subsidiary of erstwhile Satyam Computer Services Limited, had applied for voluntary liquidation during the year ended December 31, 2012 as per regulations applicable in the respective country and Mr. Amgad Kamel, CPA, Managing Partner, M/s. HLB Fathy Kamel, Egypt was appointed as official liquidator. During the year ended December 31, 2014 (being the financial year as per Egypt local GAAP)there is net income of EGP 14,684 due to reversal of professional charges accrued in earlier years. Commercial Registrar of Egypt has approved extension of liquidation period till 30th June, 2015 and liquidation process is under progress.

AUDITORS REPORT

To

Tech Mahindra Limited,

We have audited the attached financials of M/s. SATYAM COMPUTER SERVICES (EGYPT) S.A.E (Company under liquidation), which consists of Balance Sheet as at 31st December, 2014, the statement of Profit & Loss and Cash Flow Statement for the year then ended, and summary of the significant accounting policies and notes annexed thereto and report that: -

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit,

b) In our opinion, the Company has maintained proper books of accounts as required by local law as it appears from our examinations of such books;

c) The Balance Sheet and Profit & Loss account referred to this report are in agreement with the books of accounts;

d) In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit & Loss account prepared in accordance with Indian GAAP, give a true and fair view.

    1) In the case of Balance Sheet, of the state of affairs of the Company as at 31st December, 2014 and,

    2) In the case of the Statement of Profit and Loss, of the profit/loss of the Company for the year ended on that date; and

    3) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **Korlepara Krishna Rao & Co.,**
Chartered Accountants

Place Hyderabad
Date : 23-April-2015

(K.Krishna Rao)
Proprietor
M. No. 200 068
FR No. 006664S

Balance Sheet as at December 31,2014

Currency EGP

		Note		**December 31, 2014**	December 31, 2013
I.	**EQUITY AND LIABILITIES**				
1	**Shareholders' Funds**				
	(a) Share Capital	**2**	**1,486,554**		1,486,554
	(b) Reserves and Surplus	**3**	**12,309,028)**		(12,323,711)
				(10,822,474)	10,837,157)
2	**Share Application Money Pending Allotment**			**6.831,299**	6,831.299
3	**Minority Interest**				
4	**Non-Current Liabilities**				
	(a) Long Term Borrowings		**-**		-
	(bl Other Long Term Liabilities		**-**		-
	(c) Lorry Term Provisions		**-**		-
5	**Current Liabilities**			**-**	-
	(e) Short Term Borrowings		**-**		-
	(b) Trade Payables	**4**	**6,110,299**		6.234.341
	(c) Other Current Liabilities		**-**		-
	(d) Short Term Provisions		**-**		-
				6,110,299	6,234,341
				2,119,124	2,228,483
II.	**ASSETS**				
1	**Non-Current Assets**				
	(a) Fixed Assets	**5**			
	(i) Tangible Assets		**195,658**		195,658
	(ii) Intangible Assets		**-**		-
	(iii) Capital Work in Progress		**-**		-
	(b) Goodwill on Consolidation		**-**		-
				195,658	195,658
	(c) Non-Current Investments			**-**	-
	(d) Deferred Tax Asset			**-**	-
	(e) Long-Term Loans and Advances	**6**		**405,084**	405,084
	(f) Other Non Current Assets			**-**	
				600,742	600,742
2	**Current Assets**				
	(a) Current Investments		**-**		
	(b) Inventory		**-**		-
	(c) Trade Receivables	**7**	**1,219,284**		1,219,284
	(d) Cash and Bank Balances	**8**	**136,551**		245,910
	(e) Short-Term Loans and Advances	**9**	**33,922**		33,922
	(f) Other Current Assets	**10**	**128,624**		128,624
				1,518,382	1,627,740
				2,119,124	2,228,483
	Notes forming part of the financial statements	**2 to 13**			

In terms of our report attached

For **Korlepara Krishna Rao. & Co.,**
Chartered Accountants

K. Krishna Rao
Proprietor
M. No. 200 068
FR No. 006664S
Date: 23-April-2015

Statement of Profit and Loss for the year ended December 31,2014

Currency EGP

		Note	Period ended December 31, 2014	December 31, 2013
I.	Revenue from Services		-	-
II.	Other Income	11	-	375
III.	Total Revenue (1 + II)		-	375
IV.	Expenses:			
	Employee Benefits Expense	12	-	-
	Subcontracting Expenses		-	-
	Operating and Other Expenses	13	(14,684)	3,354
	Finance Costs			-
	Depreciation and Amortisation Expense	5	-	-
	Total Expenses		(14,684)	3,354
V	**Profit Before Exceptional Items and Tax (III - IV)**		14,684	(2,979)
VI	**Exceptional items (net)**		-	-
VII	**Profit Before Tax (VI - V)**		14,684	(2,979)
VIII	**Tax Expense:**			
	- Current Tax		-	-
	- Deferred Tax		-	-
	- MAT (Minimum Alternate Tax)		-	-
	- Earlier years. Tax expense / (Excess Provision written back)		-	-
IX	Profit after Tax (VII - VIII)		14,684	(2,979)
X	Less: Minority Interest			
XI	Profit for the period (X - IX)		14,684	(2,979)
	Notes forming part of the financial statements	2 to 13		

In terms of our report attached

For **Korlepara Krishna Rao. & Co.,**
Chartered Accountants

K. Krishna Rao
Proprietor
M. No. 200 068
FR No. 006664S
Date: 23-April-2015

Cash Flow Statement for the year ended December 31,2014

		Currency EGP
	31-Dec-2014	31-Dec-2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit! (Loss) before Tax	**14,684**	(2,979)
Adjustments for :		
Depreciation and amortisation expense	**-**	-
Impairment of goodwill	**-**	-
Loss/(profit) on sale of fixed assets sold/written-off (net)	**-**	-
Finance costs	**-**	-
Interest income	**-**	-
Dividend income	**-**	-
Gain on sale of current investments	**-**	-
Liabilities/ provisions no longer required written back	**-**	-
Provision for doubtful trade receivables	**-**	-
Provision for contingencies	**-**	-
Provision for doubtful advances (net)	**-**	-
Provision for losses in subsidiaries	**-**	-
Exceptional items	**-**	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents	**-**	-
Operating profit before working capital changes	**14,684**	(2,979)
Changes in working capital :		
Adjustments for (increase)/ decrease in operating assets:		
Inventories	**-**	-
Trade receivables	**-**	-
Short-term loans and advances	**-**	-
Other current assets	**-**	-
Long-term loans and advances	**-**	-
Other non-current assets	**-**	-
Changes in balances held as margin money/ security for bank guarantees	**-**	-
Adjustments for (increase)/(decrease) in operating liabilities	**-**	-
Trade payables	**(124,042)**	446
Other current liabilities	**-**	-
Short-term borrowings	**-**	-
Short-term provisions	**-**	-
Long-term provisions	**-**	-
Cash generated from operations	**(109,359)**	(2,534)
Net income tax paid	**-**	-
Net cash flow from/ (used in) operating activities (A)	**(109,359)**	(2,534)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	-	-
Proceeds from sale of fixed assets	-	-
Bank balances not considered as Cash and cash equivalents	-	-
- Placed	-	-
Current investments	-	-
- Purchased	-	-
- Proceeds from sale	-	-

Cash Flow Statement for the year ended December 31, 2014 (contd.)

		31-Dec-2014	31-Dec-2013
			Currency EGP
	Payment of contingent consideration	-	-
	Purchase of long-term investments	-	-
	Proceeds from divestment in subsidiary	-	-
	Interest received	-	-
	Dividend received	-	-
	Net cash flow from investing activities (B)	-	-
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of equity shares	-	-
	Increase in share application money pending allotment	-	-
	Proceeds from long-term borrowings	-	-
	Repayment of long-term borrowings (including current maturities of the same)	-	-
	Proceeds from short-term borrowings from banks	-	-
	Repayment of short-term borrowings from banks	-	-
	Finance costs	-	-
Net cash flow used in financing activities (C)		-	-
		-	-
Net increase/ (decrease) in Cash and cash equivalents (A + B+ C)		(109,359)	(2,534)
Cash and cash equivalents at the beginning of the year		245,910	248,444
	Effect of exchange differences on translation of foreign currency Cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year		136,551	245,910
Notes:			
(i)	**Reconciliation of Cash and cash equivalents with the Balance Sheet**	-	-
	Cash and cash equivalents as per Balance Sheet	136,551	245,910
	Less: In earmarked accounts	-	-
	- Unpaid dividend accounts	-	-
	- Balances held as margin money/security towards obtaining bank guarantees	-	-
	Cash and cash equivalents at the end of the year*	136,551	245,910
	*Comprises		
	(a) Cash on hand	-	-
	(b) Cheques on hand	-	-
	(c) Balances with banks	-	-
	(i) In current accounts	136,551	245,910
	(ii) In EEFC accounts	-	-
	(iii) In demand deposit accounts	-	-
	(d) Remittances in transit	-	-
		136,551	245,910

In terms of our report attached
For **Korlepara Krishna Rao & Co.,**
Chartered Accountants

K. Krishna Rao
Proprietor
M.No. 200 068
Date: 23-April-2015

Note 2: Share Capital

Currency EGP

Share Capital	Face Value	As at December 31, 2014 Number	As at December 31, 2014 Amount	As at December 31, 2013 Number	As at December 31, 2013 Amount
Authorised					
Equity Shares 2625 of Euro 100 each	566.31	**2,625**	**1,486,554**	2,625	1,486,554
Issued, Subscribed & Paid-up					
Equity Shares 2625 of Euro 100 each	566.31	**2,625**	**1,486,554**	2,625	1,486,554
(Equivalent EGP Face Value entered)					
		2,625	**1,486,554**	2,625	1,486,554

Disclosure pursuant Part I of Schedule V1 to the Companies Act, 1956

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	**December 31, 2014**		**December 31, 2013**	
	Equity Shares		**Equity Shares**	
	Number	**Amount**	**Number**	**Amount**
Shares outstanding at the beginning of the period	**2,625**	**1,486,554**	2,625	1,486,554
Shares Issued during the period	**-**	**-**	-	-
Shares bought back during the period	**-**	**-**	-	-
Shares outstanding at the end of the period	**2,625**	**1,486,554**	2,625	1,486,554

No of shares held by each shareholder holding more than 5 percent equity shares of the Company are as follows:

Name of Shareholder	**December 31, 2014**		December 31, 2013	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Tech Manindra Limited (erstwhile Satyam Computer Services Limtied)	**2,625**	**100%**	2,625	100%

Note 3: Reserves and Surplus

Currency EGP

	As at **December 31, 2014**	As at December 31, 2013
a. Capital Reserve		
Opening balance	**-**	-
Add : Additions during the period	**-**	-
Closing Balance	**-**	-
b. Securities Premium Account		
Opening Balance	**-**	-
Add: Additions of amalgamation	**-**	-
Add: Addition/Deletion for the period	**-**	-
Closing Balance	**-**	-

Currency EGP

		As at	
		December 31, 2014	December 31, 2013
c.	**Debenture Redemption Reserve**		
	Opening Balance	-	-
	Add: Transfer from statement of Profit and Loss	-	-
	Closing Balance	-	-
d.	**Share Options Outstanding Account**		
	Opening Balance	-	-
	Add : Additions of amalgamation	-	-
	Add : Addition during the period	-	-
	Add :Amortised amount of Stock compensation cost	-	-
	Less: Write Back to Profit and Loss Account	-	-
	Closing Balance	-	-
e.	**Statutory Reserve (Please provide the details in additional worksheet)**		
f.	**Currency Translation Reserve**		
g.	**General Reserve**		
	Opening Balance	-	-
	Add: Transfer from Statement of Profit and Loss	-	-
	(-) Written Back in Current period	-	-
	Closing Balance	-	-
h.	**Hedging Reserve**		
	Opening Balance	-	-
	Add: Movement during the period (net)	-	-
	Closing Balance	-	-
i.	**Amalgamation Reserve**		
	Opening balance	-	-
	Add: Movement during the period	-	-
	Less: Adjusted against Securities Premium	-	-
	Closing Balance	-	-
j.	**Capital Redemption Reserve**		
	Opening Balance	-	-
	Add :	-	-
	Less:	-	-
	Closing Balance	-	-
k.	**Reserve**		
	Opening Balance	-	-
	Add :	-	-
	Less :	-	-
	Closing Balance	-	-

Currency EGP

	As at	
	December 31, 2014	December 31, 2013
I. Surplus in Statement of Profit and Loss		
Opening balance	**(12,323,711)**	(12,320,732)
Add: Net Profit for the half year/year	**14,684**	(2,979)
Add: Transfer from Reserves	**-**	-
Less: Final Dividend	**-**	-
Less: Proposed Final Dividend	**-**	-
Less: Tax on Dividend	**-**	-
Less: Transfer to Debenture Redemption Reserve	**-**	-
Less: Transfer to Statutory Reserve	**-**	-
Less: Transfer to General Reserve	**-**	-
Closing Balance	**(12,309,028)**	(12,323,711)
	(12,309,028)	(12,323,711)

Note 4 :Trade Payables

	As at	
	December 31, 2014	December 31, 2013
Trade Payables		
Dues to Micro Enterprises and small enterprises	**-**	-
Dues to Others	**6,110,299**	6,234,341
Accrued Salaries, Benefits and Incentives	**-**	-
	6.110,299	6.234,341

Note 5 Fixed Assets for the period ended December 31, 2014 **Currency EGP**

		Gross Block					Accumutated Depreciation and Amorlsation					Net Block As at	
		Balance at the beginning of the period	Additions on Acquisition	Additions during the period	Deletions during the period	Balance at the end of the period	Balance at the beginning of the period	Additions on Acquisitions	For the period	Deductions during the period	Balance at the end of the period	31.Dec.14	31.Dec13
a	**Tangible Assets**												
	Freehold Land												
	Leasehold Land												
	Buildings												
	Plant and Equipment	852,771				**852,771**	719,656				719,865	**133,106**	133,106
	Lab Testing Equipment												
	Furniture and Fixtures	14,000				**14,000**	12,163				12,163	**1,837**	1,837
	Vehicles												
	Computers	438,388				**438,388**	438,388				438,388		
	Office Equipments	223,022				**223,022**	162,308				162,308	**60,714**	60,714
	Leasehold Improvements												
	Lease Plant and Machinery												
	Lease Furniture & Fixture												
	Lease Vehicles												
	Total	**1,528,180**	**-**	**-**	**-**	**1,528,180**	**1,332,523**	**-**	**-**	**-**	**1,332,523**	**195,657**	**195,657**
b	**Intangible Assets**												
	Intellectual property rights												
	Software (other than internally generated)												
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand Total (a+b)	**1,528,180**	**-**	**-**	**-**	**1,528,180**	**1,332,523**	**-**	**-**	**-**	**1,332,523**	**195,657**	**195,657**
c	**Capital Work in Progress**												
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**195,667**	**195,667**

Note 6 : Long Term Loans and Advances

Currency EGP

	As at	
	December 31, 2014	December 31, 2013
Unsecured, considered good unless otherwise stated		
- Capital Advances		
- Considered Good	**-**	-
- Considered Doubtful	**-**	-
Less : Provision	**-**	-
Security Deposits		
- Considered Good	**309,072**	309,072
- Considered Doubtful	**-**	-
	309,072	309,072
Less : Provision	**-**	-
	309,072	309,072
Loans and Advances to Related Parties		
- Considered Good	**-**	-
- Considered Doubtful	**-**	-
Less : Provision	**-**	-
Loans to related Parties		
Share application money given to subsidiaries		
- Considered Good	**-**	-
- Considered Doubtful	**-**	-
Less Provision	**-**	-
Advance Income Taxes (Net of provisions)	**96,013**	96,013
Balances with Government authorities		
- Considered Good	**-**	-
- Considered Doubtful	**-**	-
Less : Provision	**-**	-
Prepaid Expenses		
Others*		
- Considered Good	**-**	-
- Considered Doubtful	**-**	-
Less: Provision	**-**	-
*Please provide the details in table below	**-**	-
	405,084	405,084

Note 7: Trade Receivables

Currency EGP

	As at	
	December 31. 2014	December 31, 2013
Trade Receivables (Unsecured)		
(Classification of Trade Receivable should be done based on due date of invoices)		
- Over six months	**1,101,430**	1,101,430
- Considered Good**	**-**	-
- Considered Doubtful	**1,101,430**	1,101,430
- Others		
- Considered Good**	**117,853**	117,853
- Considered Doubtful	**-**	-
	117,853	117,853
Less: Provision for Doubtful Debts	**-**	-
	117,853	117,853
	1,219,284	1,219,284

1 *Net of advances aggregating to EGP NIL (previous year: EGP Nil Million) pending adjustments with invoices
2 **Net of advances aggregating to EGP NIL (previous year; EGP Nil Million) pending adjustments with invoices

Note 8: Cash and Bank Balances

	As at	
	December 31, 2014	December 31, 2013
Cash and Cash equivalents		
Cash in Hand		
- Funds in Transit		
- Balances with Banks		
In Current Accounts	**136,551**	245,910
In Deposit Accounts (including margin money / security deposits with remaining maturity of less than 3 months, from the balance-sheet date)	**-**	-
Sub total (a)	**136,551**	245,910
Other bank balances:		
- Earmarked balances with Banks *(Please provide explanatory notes in the table below)*		
Unpaid Dividend	**-**	-
Balances held as margin money/security towards obtaining bank guarantees - remaining maturity of more than 3 months, but less than 12 months, from the balance-sheet date.		
Balance held under escrow/special purposes/segregated accounts	**-**	-
Sub total (b)	**-**	-
	136,551	245,910

Note 9 : Short-Term Loans and Advances

Currency EGP

	As at	
	December 31, 2014	December 31, 2013
- Advances to Related Parties		
Considered Good	**-**	**-**
Considered Doubtful	**-**	**-**
Less : Provision	**-**	**-**
- Loans and advances to employees		
Considered good	**33,922**	33,922
Considered doubtful	**-**	-
	33,922	33,922
Less : Provision	**-**	-
	33,922	**33,922**
- MAT Credit Entitlement	**-**	-
- Balance with Government Authorities		
Considered good	**-**	**-**
Considered doubtful	**-**	**-**
Less : Provision for doubtful deposits	**-**	**-**
- Deposits:		
Considered good	**-**	**-**
Considered doubtful	**-**	**-**
Less: Provision for doubtful deposits	**-**	**-**
- Inter-Corporate Deposit	**-**	**-**
Lease Receivable		
Considered Good	**-**	**-**
Considered Doubtful	**-**	**-**
Less : Provision	**-**	**-**
- Prepaid Expenses		
- Others		
Considered Good	**-**	**-**
Considered Doubtful	**-**	**-**
Less : Provision	**-**	**-**
	33,922	**33,922**

Note 10: Other Current Assets

Currency EGP

	As at	
	December 31, 2014	December 31, 2013
(Unsecured, considered good unless otherwise stated)		
- Contractually Reimbursable Expenses		
Considered Good	-	-
Considered Doubtful	-	-
Less : Provision	-	-
- Unbilled Revenue	**128,624**	128,624
- Interest Accrued on Deposit	-	-
- Fair values of foreign exchange forward and currency option contracts	-	-
	128,624	128,624

Note 11: Other Income

Currency EGP

	Period Ended	
	December 31, 2014	December 31, 2013
- Interest on:	-	-
Deposit With Banks	-	-
Others	-	-
- Foreign Exchange Gain / (Loss) - Net	-	-
- Rent Income	-	-
- Dividend from Current Investments (non trade)	-	-
- Profit on Sale of Current Investments (non trade)	-	-
- Sundry Balances Written Back	-	-
Provision on non-current investments no longer - required	-	-
- Miscellaneous Income *(Please till the details in table below)*	-	375
	-	375

Note 12: Employee Benefits Expense

	Period Ended	
	December 31, 2014	**December 31, 2013**
- Salaries and Incentives	-	-
- Contribution to Provident and Other Funds	-	-
- Gratuity	-	-
- Employee Stock Compensation Cost	-	-
- Staff Welfare Expenses	-	-
	-	-

Table 1

- Miscellaneous Income

Particulars	**December 31, 2014**	December 31, 2013
Other Miscellaneous Income credit in bank.	-	375
Total	-	375

Note 13: Operating and Other Expenses

Currency EGP

		Period Ended	
		December 31, 2014	December 31, 2013
- Power and Fuel		**-**	-
- Rent		**-**	-
- Rates and Taxes		**4,692**	(13,462)
- Communication Expenses		**-**	-
- Travelling Expenses		**1,426**	-
- Recruitment Expenses		**-**	-
- Training		**-**	-
- Hire Charges		**-**	-
- Professional and Legal Fees		**(25,648)**	13,907
- Repairs and Maintenance:		**-**	-
- Buildings (including leased premises)		**-**	-
- Machinery		**-**	-
- Others		**-**	-
- Insurance		**-**	-
- Software, Hardware and Project Specific Expenses		**-**	-
- Claims and Warranties (Net)		**-**	-
- Advertising. Marketing end Selling Expenses		**-**	-
- General Office Expenses		**-**	-
- Loss (Profit) on Diminution of Non -Current Investment		**-**	-
- Loss (Profit) on Diminution of Current Investment		**-**	-
- (Profit) 1 Loss on Sale of Fixed Assets (Net)		**-**	-
Provision for Doubtful Debts and Bad Debts written off (Net)		**-**	-
Provision during the period	**-**	**-**	-
Bad Debts written off	**-**	**-**	-
Less: Provision released	**-**	**-**	-
Provision for Doubtful Advances		**-**	-
Provision during the period	**-**	**-**	-
Advances written off	**-**	**-**	-
Less: Provision released	**-**	**-**	-
Donations		**-**	-
Miscellaneous Expenses		**4,847**	2,909
		(14,984)	3,354

FIXSTREAM NETWORKS INC

Board of Directors

Manoj Bhat

Ulhas Yargop

Manish Vyas

Sameer Padhye

Registered Office

2680 North First Street, Suite 250

San Jose, California 95134

Bankers

Comerica Bank

2 Embarcadero Center, Suite 300

San Francisco, California 94111

Auditors

Catrakilis Kraitzick Hrabova

CPA and Advisors

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2015.

Financial Results:

For the year ended March 31	2015 $	2014 $
Income	**249,480**	-
Profit/(Loss) before tax	**(3,795,149)**	-
Profit/(Loss) after tax	**(2,052,852)**	-

Review of operations:

During the fiscal year, the Company achieved income of US$ 249,480. The Company is engaged in the business of developing and marketing software for network services orchestration. The Company is 75% owned subsidiary of Tech Mahindra Limited ("TechM"), a company incorporated under the laws of India.

Board:

Ulhas Yargop, Manoj Bhat, Manish Vyas and Sameer Padhye are the members of the Board of Directors.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder(s) for the co-operation and assistance received from them.

Sameer Padhye
Director

Pune, April 29, 2015

INDEPENDENT AUDITORS' REPORT

Board of Directors
FixStream Networks, Inc.
a subsidiary of Tech Mahindra Limited,
an India Corporation, San Jose, California

We have audited the accompanying financial statements of FixStream Networks, Inc. (the "Company") a 75% owned subsidiary of Tech Mahindra Limited, an India corporation, which comprise the balance sheet as of March 31, 2015, and the related statements of operations and accumulated deficit, and cash flows for the three months and eleven months then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion
As discussed in Note 2B to the financial statements, accounting principles generally accepted in the United States of America require the company to consolidate its 100% owned subsidiaries in its financial statements. For the purposes of these financial statements, the financial position and the results of operations of its wholly owned subsidiary, Quexa Systems Private Limited has not been consolidated. The non-consolidation of the wholly owned subsidiary is not in accordance with accounting principles generally accepted in the United States of America. The effects of this departure from accounting principles generally accepted in the United States of America on the financial position, results of operations, and cash flows have not been determined.

Qualified Opinion
In our opinion, except for the matter discussed in the Basis of Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of FixStream Networks, Inc. a 75% owned subsidiary of Tech Mahindra Limited, as of March 31, 2015, the results of its operations and its cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules of Revenue and Expenses on pages herein are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Atlanta, Georgia, April 29, 2015

Catrakilis Kraitzick Hrabova, LLC

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
FixStream Networks, Inc.
a wholly owned subsidiary of Tech Mahindra Limited,
an India corporation
San Jose, California

Our report on our audits of the financial statements of FixStream Networks, Inc., a 75% owned subsidiary of Tech Mahindra Limited, an India corporation, (the "Company") as of and for the three months and eleven months ended March 31, 2015, appears on pages herein. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the financial statements taken as a whole. The information on pages herein is presented for purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we express no opinion on it.

USD amounts in the supplemental schedules are translated for convenience into Indian Rupees (INR) the exchange rate of INR 62.495 to 1.00 USD for both 2015 and 2014.

Catrakilis Kraitzick Hrabova, LLC.
Atlanta, Georgia

April 29, 2015

SUPPLEMENTAL BALANCE SHEETS

		March 31, 2015	
ASSETS:	**Note**	**USD**	**INR**
Current assets:			
Cash	3	**4,212,375**	**263,252,376**
Receivable from subsidiary	4	**174,320**	**10,894,128**
Prepaid expenses		**76,809**	**4,800,178**
Total current assets		**4,463,504**	**278,946,682**
Investment in subsidiary	5	**42,047**	**2,627,727**
Other assets:			
Restricted cash	3	**381,013**	**23,811,407**
Security deposits		**11,709**	**731,754**
Deferred tax asset	7	**2,240,469**	**140,018,110**
Total other assets		**2,633,191**	**164,561,271**
Property and equipment, net	6	**269,556**	**16,845,902**
Total Assets		**7,408,298**	**462,981,582**
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)			
Liabilities:			
Current liabilities:			
Accounts payable		**$26,606**	**1,662,742**
Accrued expenses		**92,063**	**5,753,476**
Line of credit	9	**100,000**	**6,249,500**
Note payable to related party	8	**189,703**	**11,855,489**
Total current liabilities		**408,372**	**25,521,207**
Convertible-redeemable preferred stock	12	**10,000,000**	**624,950,000**
Stockholder's equity (deficit)			
Common stock	13	**621**	**38,809**
Additional paid in capital		**20,644**	**1,290,147**
Accumulated deficit		**(3,021,339)**	**(188,818,581)**
Total stockholder's equity (deficit)		**(3,000,074)**	**(187,489,625)**
Total Liabilities and Stockholder's Equity (Deficit)		**7,408,298**	**462,981,582**

SUPPLEMENTAL STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT

	Schedule	Eleven Months Ended March 31, 2015 USD	Eleven Months Ended March 31, 2015 INR
REVENUE	I	**249,480**	**15,591,253**
OPERATING EXPENSES:			
Personnel	II	**2,949,968**	**184,358,250**
General and administrative	III	**1,011,928**	**63,240,440**
Depreciation		**55,019**	**3,438,412**
Total operating expenses		**4,016,915**	**251,037,102**
OTHER INCOME (EXPENSE)			
Interest income		**9,968**	**622,950**
Miscellaneous income		**566**	**35,372**
Interest expense		**(8,248)**	**(515,459)**
Other expense		**(30,000)**	**(1,874,850)**
Total other income (expense)		**(27,714)**	**(1,731,987)**
Loss before income tax benefit		**(3,795,149)**	**(237,177,836)**
INCOME TAX BENEFIT	Note 7	**(1,742,297)**	**(108,884,851)**
NET LOSS		**(2,052,852)**	**(128,292,985)**
Accumulated deficit, beginning of period		**(968,487)**	**(60,525,595)**
Accumulated deficit, end of period		**(3,021,339)**	**(188,818,580)**

SUPPLEMENTAL STATEMENTS OF CASH FLOWS

	Eleven Months Ended March 31, 2015	
	USD	**INR**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	**(2,052,852)**	**(128,292,985)**
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	**55,019**	**3,438,412**
Deferred income tax benefit	**(1,742,297)**	**(108,884,851)**
Changes in operating assets and liabilities:		**-**
Accounts receivable, net	**-**	**-**
Receivable from subsidiary	**(174,320)**	**(10,894,128)**
Prepaid expenses	**(62,042)**	**(3,877,315)**
Security deposits	**(8,057)**	**(503,522)**
Accounts payable	**(6,257)**	**(391,031)**
Accrued expenses	**69,053**	**4,315,466**
Income tax payable	**-**	**-**
Net Cash Used in Operating Activities	**(3,921,753)**	**(245,089,954)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	**(316,645)**	**(19,788,729)**
Net Cash Used in Investing Activities	**(316,645)**	**(19,788,729)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in restricted cash	**(381,013)**	**(23,811,407)**
Issued common stocks	**7**	**437**
Issued additional paid in capital	**3,159**	**197,422**
Costs of raising capital	**-**	**-**
Notes payable to related party	**(1,276,028)**	**(79,745,370)**
Net borrowing under line of credit agreement	**100,000**	**6,249,500**
Net Cash Provided by (Used in) Financing Activities	**(1,553,875)**	**(97,109,418)**
Net decrease in cash	**(5,792,273)**	**(361,988,101)**
Cash, beginning of period	**10,004,648**	**625,240,477**
Cash, end of period	**4,212,375**	**263,252,376**
Supplemental Disclosures:		
Cash paid for interest	**1,869**	**116,803**
Cash paid for income tax	**-**	**-**
	-	**-**

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

FixStream Networks, Inc. (the "Company") is a 75% owned subsidiary of Tech Mahindra Limited ("TechM"), a company incorporated under the laws of India. The Company was incorporated in the State of Delaware on April 9, 2013 and is engaged in the business of developing and marketing software for network services orchestration.

The Company owns 100% of Quexa Systems Private Limited ("Quexa"). Quexa was incorporated under the laws of India and is engaged in the business of providing products and services, including but not limited to, information technology enabled services such as software consulting, software development, computer software, technical training and allied services and products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

On April 30, 2014, TechM acquired 18,400,279 shares of the Company's Series A Preferred Stock, $0.0001 (INR 0.XXX) par value per share (the "Series A Preferred Stock"), at a purchase price of $0.54347 per share, and maintained 75% ownership of the Company. The financial statements presented herein is from the period of May 1, 2014, the effective date of TechM's ownership.

The Company has adopted the Financial Accounting Standards Board (FASB) Codification (Codification or ASC). The Codification is the single official source of authoritative accounting principles generally accepted in the United States of America (U.S. GAAP) recognized by the FASB to be applied by non-governmental entities. All of the Codification's content carries the same level of authority.

B. NON-CONSOLIDATED SUBSIDIARY

The Company has elected not to present the consolidated financial statements of the Company and it's wholly owned subsidiary Quexa. Management is of the opinion that at the Company level stand-alone company financial statements are considered more meaningful to the readers of the financial statements.

C. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. CASH AND CASH EQUIVALENTS

The Company considers all investments with an original maturity of three months or less to be cash equivalents.

E. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets which range from 3 to 7 years.

Expenditures for maintenance and repairs are charged to income as incurred. Additions and betterments are capitalized. The cost of properties sold or otherwise disposed of, and the accumulated depreciation thereon, is eliminated from the property and reserve accounts, and gains and losses are reflected in the statement of income.

F. REVENUE RECOGNITION

Revenues from contracts for technology integration consulting services, where the Company designs/redesigns, builds and implements new or enhanced systems applications and related processes for its clients are recognized on the percentage-of-completion method, which involves calculating the percentage of services provided during the reporting period compared to the total estimated services to be provided over the duration of the contract. Contracts for technology integration consulting services generally span six months to two years. This method is followed where reasonably dependable estimates of revenues and costs can be made. Estimates of total contract revenues and costs are continuously monitored during the term of the contract, and recorded revenues and estimated costs are subject to revision as the contract progresses. Such revisions may result in increases or decreases to revenues and income and are reflected in the financial statements in the periods in which they are first identified. If the Companys estimates indicate that a contract loss will occur, a loss provision is recorded in the period in which the loss first becomes probable and reasonably estimable. Contract losses are determined to be the amount by which the estimated total direct and indirect costs of the contract exceed the estimated total revenues that will be generated by the contract and are included in cost of services and classified in accrued expenses.

Revenues from contracts for non-technology integration consulting services with fees based on time and materials or cost-plus are recognized as the services are performed and amounts are earned. The Company considers amounts to be earned once evidence of an arrangement has been obtained, services are delivered, fees are fixed or determinable, and collectability is reasonably assured. In such contracts, the Company's efforts, measured by time incurred, typically are provided in less than a year and represent the contractual milestones or output measure, which is the contractual earnings pattern. For non-technology integration consulting contracts with fixed fees, the Company recognizes revenues as amounts become billable in accordance with contract terms, provided the billable amounts are not contingent, are consistent with the services delivered, and are earned. Contingent revenues relating to non-technology integration consulting contracts are recognized when the contingency is satisfied and the Company concludes the amounts are earned.

Unbilled revenue comprises of revenue recognized in relation to efforts incurred on fixed fee and time and material contracts not billed as of the period end where services are performed in accordance with agreed terms.

G. EMPLOYEE STOCK-BASED COMPENSATION ARRANGEMENTS

Stock-based compensation expense is recognized over the requisite service period for awards of equity instruments to employees based on the grant date fair value of those awards expected to ultimately vest. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates. As of March 31, 2015, 229,849 granted shares have vested.

H. INCOME TAXES

The Company accounts for income taxes using FASB Accounting Standards Codification (ASC) 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740, the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records valuation allowances against deferred tax assets as deemed necessary.

In accordance with FASB ASC 740-10-20, the Company follows the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles in the United States of America. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates.

3. CASH AND RESTRICTED CASH

As of March 31, 2015, cash and restricted cash are summarized as follows:	March 31, 2015	
	USD	**INR**
Cash	**4,593,388**	**287,063,783**
Less: restricted cash - money market account	**(381,013)**	**(23,811,407)**
Net available cash	**4,212,375**	**263,252,376**

The lender required the Company to maintain a compensating cash balance for the outstanding line of credit. The outstanding line of credit is summarized in Note 9 below.

4. RECEIVABLE FROM SUBSIDIARY

During the period ended March 31, 2015, FixStream Networks had intercompany transactions with its wholly-owned subsidiary Quexa Systems Private Limited ("Quexa"). Quexa provides software development service to the Company and bills the Company for such services on a monthly basis.

	Eleven Months Ended March 31, 2015	
	USD	INR
Beginning balance, due from (to) Quexa	-	-
Quexa billings for R&D services	625,680	39,101,872
Advances paid to Quexa	800,000	49,996,000
Ending balance, due from Quexa	174,320	10,894,128

5. INVESTMENT IN SUBSIDIARY

The Company owns 100% investment (17,006 shares) of Quexa Systems Private Limited, which is accounted for using the cost method. The book value of the subsidiary was reported at $ 90,720 (INR 5,669,546) at March 31, 2015. The fair value of the investment is not estimated since there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value and the Company does not estimate the fair value of financial instruments because it is not practicable to estimate fair value.

6. PROPERTY AND EQUIPMENT

As of March 31, 2015, property and equipment are summarized as follows:

	March 31, 2015	
	USD	INR
Computer equipment	311,708	19,480,191
Furniture	4,240	264,979
Leasehold improvements	10,320	644,948
Less: accumulated depreciation	(56,712)	(3,544,216)
Property and equipment, net	269,556	16,845,902

Depreciation expense for the eleven months ended March 31, 2015 was $ 55,019 (INR 3,438,412). The depreciation policies followed by the Company are described in Note 2E.

7. INCOME TAXES

The Company accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes, as discussed in Note 2H.

	Eleven Months Ended March 31, 2015	
Current income tax expense consists of the following:	USD	INR
Federal	-	-
State	800	49,996
Total deferred income tax benefit	800	49,996
Deferred income tax benefit consists of the following:		
Federal	(1,280,801)	(80,043,658)
State	(462,296)	(28,891,189)
Total deferred income tax benefit	(1,743,097)	(108,934,847)
Total current and deferred income tax benefit	(1,742,297)	(108,884,851)

Deferred tax assets consists of the following:	March 31, 2015	
	USD	INR
Federal	1,778,172	111,126,859
State	462,297	28,891,251
	2,240,469	140,018,110

As of March 31, 2015, the Company had approximately $ 5,185,000 (INR 324,036,575) of estimated federal net operating losses and $ 5,181,000 (INR 323,786,595) of state net operating losses available to be carried forward, respectively. The Company expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset. The Company is subject to taxation in the United States and various states jurisdictions. Tax years that remain subject to examination by major tax jurisdictions date back to the year ended March 31, 2012.

In the ordinary course of business, there are many intercompany transactions that affect the calculation and estimation of the Company's tax liability. Although the Company's management believes that their tax estimates are reasonable, there is no assurance that the final determination of tax liability will not be different from what is reflected in the Company's income tax provisions and accruals.

8. NOTE PAYABLE TO RELATED PARTY

Note payable to related party consists of the following:

	March 31, 2015	
	USD	**INR**
Unsecured notes payable due to an officer of the Company, interest at 3% per annum, unpaid interest and principle due at various dates April 2015	**167,593**	**10,473,725**
Accrued interest on related party notes payable	**22,110**	**1,381,764**
Total note payable to related party	**189,703**	**11,855,489**

Interest expense on related party notes payable were $1,257 and $ 6,379 for the three months and eleven months ended March 31, 2015, respectively.

9. LINE OF CREDIT

On July 18, 2014, the Company entered into a revolving line of credit agreement with a bank. The line has a maximum borrowing of $ 350,000 (INR 21,873,250) with an annual interest rate of Prime plus 3%. The line of credit is secured by compensating cash held in the form of a Certificate of Deposit with a balance including accrued interest thereon at March 31, 2015 of $ 381,013 (INR 23,811,407). The balance of the outstanding line of credit at March 31, 2015 was $100,000 (INR 6,249,500). The line is payable on demand by the Company. Interest expense was $1,869 (INR 116,803) for eleven months ended March 31, 2015.

10. EMPLOYMEE BENEFIT PLAN

The Company maintains a defined contribution 401(k) plan covering all eligible employees of the Company. Employees are allowed to contribute up to the maximum amount under the Internal Revenue Code. The plan allows the Company to make a discretionary match of employee contributions. There were no matching contributions in the eleven months ended March 31, 2015.

Administrative expenses incurred by the plan for eleven months ended March 31, 2015 was $2,121 (INR 132,552).

11. STOCK-BASED COMPENSATION

Key employees are granted stock options under 2013 Equity Incentive Plan. For all of the stock options granted before September 30, 2014, the exercise price is a set price of $ 0.04 (INR 2.5) per share on the date of the grant and an option's maximum term is ten years. For stock options granted after September 30, 2014, the exercise price is a set price of $ 0.11 (INR 6.9) per share on the date of the grant and an option's maximum term is ten years. Twenty five percent of the Shares subject to the Option shall vest on the one year anniversary of the Vesting Commencement Date. The balance of the remaining Shares subject to the Option shall vest each month thereafter, in equal instalments, on the same day of the month as the Vesting Commencement Date subject to Participant continuing to be a Service Provider through each such date. As of December 31, 2014, 6,135,000 shares of the Company's common stock are authorized to be issued under the plan, and 2,728,000 shares have been granted as of March 31, 2015.

A summary of stock options for the three months ended March 31, 2015 is presented below:

	Three Months Ended March 31, 2015		
	Shares	**Weighted-Average Exercise Price**	**Weighted-Average Exercise Price**
		USD	**INR**
Outstanding at beginning of period	2,579,000	0.09	5.6
Granted	184,000	0.11	6.9
Exercised	-	-	-
Forfeited or expired	(35,000)	0.06	3.7
Outstanding at end of period	2,728,000	0.09	5.6

As of March 31, 2015, the aggregate intrinsic value of stock options outstanding was $1,230,526 (INR 76,901,722); the aggregate intrinsic value of stock options exercisable was $115,722 (INR 7,232,046).

The Weighted Average Exercise Price was calculated using the Black Scholes fair value based method for service based grants using the following assumptions:

	March 31, 2015	
	USD	**INR**
Weighted average fair value per option granted during the period	0.54	33.7
Assumptions:		
Weighted average stock price volatility	0.00%	0.00%
Weighted average risk free rate of return	0.64%	0.64%
Weighted average expected term in years	6.25	6.25

The Company expects all granted shares to vest.

12. CONVERTIBLE-REDEEMABLE PREFERRED STOCK

On April 18, 2014, the Company issued 18,400,279 shares of Preferred Stock, all of which have been designated Series A Preferred Stock, to Tech Mahindra Limited.

Preferential rights:

Dividends: The Company shall not declare or pay any dividends on shares of any other class or series unless the holders of the Series A Preferred Stock first receive a dividend on each outstanding share of Series A Preferred Stock.

Conversion: Each share of Series A Preferred Stock shall be convertible, at the option of the holder, and without the payment of additional consideration by the holder, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Series A Original Issue Price ($ 0.54347 or INR 33.964) by the Series A Conversion Price, currently set at $ 0.54347 (INR 33.964).

Redemption: Shares of Series A Preferred Stock shall be redeemed by the Company at a price equal to the Series A Original Issue Price per share ($ 0.54347 or INR 33.964), plus all declared but unpaid dividends thereon in three annual installments commencing by the Company at any time on or after April 30, 2018, from the holders of at least a majority of the then outstanding shares of Series A Preferred Stock.

Liquidation: In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or Deemed Liquidation Event, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders before any payment shall be made to the holders of Common Stock. The remaining assets of the Company available for distribution to its stockholders shall be distributed among the holders of the shares of Series A Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder.

13. COMMON STOCK

The Company has authorized 33,000,000 shares of common stock at $ 0.0001 (INR 0.0062) par value and 6,135,000 are issued and outstanding. The Company has no Common Stock at it's Treasury. All outstanding Common Stock are subject to right of first refusal in favor of the Company upon any proposed transfer. The Company has reserved 6,135,000 shares of Common Stock for issuance to officers, directors, employees and consultants of the Company pursuant to its 2013 Equity Incentive Plan, see Note 11.

14. OPERATING LEASE

The Company leases its office space under a non-cancelable operation lease with an effective date of June 1, 2014 through June 30, 2017. Total rental expense related to this lease were $ 33,138 (INR 2,070,959) and $104,298 (INR 6,518,104) for the three months and eleven months ended March 31, 2015, respectively.

The future minimum rental payments for this lease are as follows:

Year ended March 31,	USD	INR
2016	135,862	8,490,696
2017	139,944	8,745,800
2018	35,157	2,197,137
	310,963	19,433,633

15. CONCENTRATION OF CREDIT RISK

The Company places its cash and cash equivalents on deposit with financial institutions in the United States of America. The Federal Deposit Insurance Corporation covers $ 250,000 (INR 15,623,750) for substantially all depository accounts. As of March 31, 2015, the Company had $ 4,376,341 (INR 273,499,431) deposited with the financial institution that exceed the Federally insured limit.

16. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 29, 2015, the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date but prior to April 29, 2015, that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES OF REVENUE AND EXPENSES (USD & INR)

	Eleven Months Ended March 31, 2015	
	USD	INR
Schedule I		
REVENUES		
Revenues	249,480	15,591,253
	249,480	15,591,253
Schedule II		
PERSONNEL EXPENSES		
Pesonnel cost	2,093,319	130,821,971
Payroll taxes	150,808	9,424,746
Employee benefits	184,759	11,546,514
Employee related expenses	175,877	10,991,433
Contract services	345,205	21,573,586
	2,949,968	184,358,250
Schedule III		
GENERAL AND ADMINISTRATIVE		
R&D expense	610,866	38,176,071
Rent	104,298	6,518,104
Travel	54,055	3,378,167
Professional fees	126,133	7,882,682
Office expense	72,862	4,553,511
Sales and marketing	14,230	889,304
Taxes - other	9,168	572,954
Miscellaneous expense	7,479	467,400
Insurance	7,006	437,840
Communications	5,831	364,408
	1,011,928	63,240,441

QUEXA SYSTEMS PRIVATE LIMITED

Board of Directors

Pratik Kishor Potnis

Abhinay Padhye Prabhakar

Registered Office

Flat No. 1, Runwal Maestro,

Sr. No. 96/97,Plot No. 175/176,

Bhusari Colony, Kothrud,

Pune, Maharashtra

Bankers

HDFC Bank

ICICI Bank

Auditors

Richa Khetawat

BOARD'S REPORT

Your Directors have the pleasure of presenting the Board's Report of the Company along with the Audited Financial Statements for the year ended March 31, 2015

General Information about the Company,the Board's perception of future of the company considering market competition, production constraints, government polices etc., Major events concerning the company are to be highlighted.

Pursuant to section 92(3)of the Companies Act, 2013 and rule12(1) of the Companies (Management and Administration)Rules,2014, an extract of annual return in MGT9 has been given as **ANNEXURE 1** to this report.

BOARD MEETINGS:

The Board of Directors met 4 times during this financial year.

Sl. No	Date of Board Meeting
1.	June 05, 2014
2.	June 24, 2014
3.	October 14, 2014
4.	January 20, 2015

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act,2013 with respect to Directors' responsibility statement, it is hereby confirmed that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the directors had prepared the annual accounts on a going concern basis.
5. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXPLANATION REGARDING QUALIFICATION, RESERVATION, ADVERSE REMARK OR DISCLAIMER IN AUDITORS REPORT AND SECRETARIAL AUDIT REPORT

a. QUALIFICATIONS IN AUDITORS REPORT – There are no qualifications in Auditors Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company have duly complied with the provision of Section 186 of the Companies Act, 2013 and the details are as under:

SECURED LOANS: **NIL**

UNSECURED LOANS**: NIL**

CURRENT/ NON - CURRENT INVESTMENTS: **NIL**

GUARANTEES: **NIL**

SECURITIES EXTENDED: **NIL**

RELATED PARTY TRANSACTIONS:

Particulars of Contracts or Arrangements with Related Parties referred to in Section 188(1) in Form AOC - 2 has been given as **ANNEXURE – II** to this Report.

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS

in ₹

Particulars	**2014-2015**	2013-14
Gross Income	**4,29,30,467/-**	74,26,777/-
Profit Before Interest and Depreciation	**52,15,307/-**	11,69,202/-
Finance Charges	**21,261/-**	4,204/-
Gross Profit	**51,94,046/-**	11,64,998/-
Provision for Depreciation	**4,70,954/-**	1,99,674/-
Net Profit Before Tax	**47,23,092/-**	9,65,323/-
Provision for Tax	**15,40,410/-**	2,99,275/-
Net Profit After Tax	**31,82,682/-**	6,66,048/-
Balance of Profit brought forward	**6,66,048/-**	Nil
Balance available for appropriation	**38,48,731/-**	6,66,048/-
Proposed Dividend on Equity Shares	**Nil**	Nil
Tax on proposed Dividend	**Nil**	Nil
Transfer to General Reserve	**Nil**	Nil
Surplus carried to Balance Sheet	**38,48,731/-**	6,66,048/-

AMOUNTS TO BE CARRIED FORWARD TO RESERVES

Sl. No	**Particulars**	**Amount**
	NIL	

MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31.03.2015 AND 29.04.2015 (DATE OF THE REPORT)

There were no material changes and commitments affecting the financial position of the Company which have occurred during the period as mentioned above.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

(A) Conservation of energy

Steps taken or impact on conservation of energy	The Company is using energy conserving bulbs for lighting purposes. The premises are well ventilated and there is sufficient room to receive natural sunlight. Therefore, during the day, the usage of artificial lighting is minimum.
Steps taken by the Company for utilising alternate sources of energy including waste generated	The Company will consider the same in due course.
Capital investment on energy conservation equipment	NIL

(B) Technology absorption

Efforts made towards technology absorption	The Company is using latest technology in its day to day operations.
Benefits derived like product improvement, cost reduction, product development or import substitution.	The Company does not import any technology. While the Company has derived a lot of benefits from the latest technology, the same has not been quantified by the Company.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	NIL
Expenditure incurred on research and development	NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earned in terms of actual inflows during the year was ₹ 4,27,73,855/- (Rupees Four Crores Twenty Seven Lakhs Seventy Three Thousand Eight Hundred and Fifty Five Only) and the Foreign Exchange outgo during the year was NIL.

RISK MANAGEMENT POLICY

The Company is in the process of developing a risk management policy for the Company.

DISCLOSURE ABOUT REVISION OF FINANCIAL STATEMENTS OR REPORT OF THE BOARD

The Company has not revised the financial statements or the report of the Board.

CHANGE IN NATURE OF BUSINESS

There has been no change in nature of the Business of the Company.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR RESIGNED DURING THE YEAR

There has been no change in the directors of the Company in the previous financial year.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES

Details of companies which have become or ceased to be Subsidiaries/Joint Ventures/Associate Companies:

The Company does not have any subsidiaries, joint ventures or associate companies.

DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE COMPANIES ACT

The Company has not accepted any deposits during the previous financial year.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS

NIL

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has established adequate internal control system, commensurate with the nature of its business and size of its operations in order to ensure quality and reliability of underlying processes focused towards achieving operational efficiency reliability of financial data and safeguarding of assets. Internal controls are evaluated by the external/internal auditors and supported by management reviews. All audit observations and follow up actions there on are initiated for resolution by the finance function and reported to the Board of Directors.

DETAILS OF THE EMPLOYEES:

a. Employed throughout the financial year and in receipt of remuneration in the aggregate of the not less than ₹ 60,00,000/- per annum

Sl. No	Name	Designation	Qualification	Date of Joining	Experience	Gross Remuneration
1.	NIL					

b. Employed for part of the Financial year and were in receipt of remuneration of not less than ₹ 5,00,000/- per month

Sl. No	Name	Designation	Qualification	Date of Joining	Experience	Gross Remuneration
1.	Abhinay Padhye	Director	B.Sc. (Maths)	25.09.2013	More than 25 years	₹ 49,94,600/-
2.	Niranjan Nandrekar	Technical staff	B.E.	01.12.2014	More than 10 years	₹ 21,94,600/-
3.	Siddharth Bhatia	Technical staff	B.Tech.	24.12.2014	More than 3 years	₹ 17,60,482/-

c. If employed throughout the financial year or part thereof, any employee was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole- time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

NIL

DETAILS OF DIRECTORS RECEIVING ANY COMMISSION FROM THE COMPANY (Also from holding or subsidiary companies

NIL

ANNEXURE – I

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31-03-2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

(i)	CIN	U72200PN2013PTC145988
(ii)	Registration Date	14/01/2013
(iii)	Name of the Company	QUEXA SYSTEMS PRIVATE LIMITED
(iv)	Category / Sub-Category of the Company	Limited Company
(v)	Address of the Registered office and contact details	Company having share capital and Limited by share
(vi)	Whether listed company	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl No.	Name and Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1.	Software Development Services	62011, 62022, 62013, 62020	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING /SUBSIDIARY /ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	FixStream Networks Inc. USA	NA	Holding Company	99.99%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)-

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER									NIL
(1) Indian									
a) Individual/HUF		1	1	0.01%		1	1	0.01%	
b) Central Govt.									
c) State Govt .(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other….									
Sub-total (A) (1):-	NIL				NIL				
(2) Foreign									
a) NRIs - Individuals									
b) Other -Individuals									
c) Bodies Corp.		17,006	17,006	99.99%		17,006	17,006	99.99%	
d) Banks / FI									
e) Any other….									
Sub-total (A) (2):-	NIL	17,006	17,006		NIL	17,006	17,006		
Total shareholding of Promoter **(A) =(A)(1)+(A)(2)**	NIL			NIL	NIL			NIL	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
Sub-total (B)(1):-	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (Specify)									
Sub-total (B) (2):-	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	
Total Public Shareholding (B)=(B)(1)+(B)(2)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	
C. Shares held by Custodian for GDRs & ADRs	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	
Grand Total (A+B+C)	**Nil**	**17,007**	**17,007**	**100%**	**NIL**	**17,007**	**17,007**	**100%**	

ii. Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	FixStream Inc. USA	17,006	99.99%	NIL	17,006	99.99%	NIL	NIL
2.	Kishore Vasant Potnis	1	0.01%	NIL	1	0.01%	NIL	NIL
	Total	17,007	100%	NIL	17,007	100%	NIL	NIL

iii. Change in Promoters' Shareholding (please specify, if there is no change)

There has been no change in the promoter's shareholding during the year under review.

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/sweat equity etc):				
	At the End of the year				

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

– Not Applicable

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc) At the End of the year (or on the date of separation, if separated during the year)				

v) Shareholding of Directors and Key Managerial Personnel: NIL

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year · Addition · Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

				in ₹
S. No.	**Particulars of Remuneration**	**Name of MD/WTD/Manager**		**Total Amount**
		Abhinay Padhye	Pratik Potnis	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	49,94,600/- NIL	15,19,608/- NIL	65,14,208/-
2.	Stock Option	NIL	NIL	
3.	Sweat Equity	NIL	NIL	
4.	Commission - as % of profit - others, specify…	NIL	NIL	
5.	Others, please specify	NIL	NIL	
	Total (A)	NIL	NIL	
	Ceiling as per the Act	Not Applicable	Not Applicable	

B. Remuneration to other Directors: *There are no other directors in the Company*

S. No.	**Particulars of Remuneration**	**Name of Directors**				**Total Amount**
	1. Independent Directors ● Fee for attending board /committee meetings ● Commission ● Others, please specify					
	Total (1)					
	2. Other Non-Executive Directors ● Fee for attending board /committee meetings ● Commission ● Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD- ***There are no other KMPs in the Company***

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company Secretary cum CFO	Total Amount
1.	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, specify…	--	--	--
5.	Others, please specify	--	--	--
	Total	**--**	**--**	**--**

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For Quexa Systems Private Limited

Abhinay Padhye	**Pratik Potnis**
(Director)	**(Director)**

ANNEXURE - II

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1.	**Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable**		
	(a)	Name(s) of the related party and nature of relationship:	
	(b)	Nature of contracts/arrangements/transactions	
	(c)	Duration of the contracts/arrangements/transactions	
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
	(e)	Justification for entering into such contracts or arrangements or transactions	
	(f)	date(s) of approval by the Board	
	(g)	Amount paid as advances, if any:	
	(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2.	**Details of material contracts or arrangement or transactions at arm's length basis**		
	(a)	Name(s) of the related party and nature of relationship :	FixStream Networks Inc., USA
	(b)	Nature of contracts/arrangements/transactions	Sale of software services
	(c)	Duration of the contracts / arrangements/transactions	No fixed term. Either party may terminate the agreement with due notice.
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Cost plus 15% mark-up billed on monthly basis.
	(e)	Date(s) of approval by the Board, if any:	Transaction with body corporate did not fall under the purview of Section 297(1) of the Companies Act, 1956, therefore board approval for was not obtained. Since the transaction is on arm's length and in the ordinary course of business, no approval is required to be taken under Section 188 of the Companies Act, 2013.
	(f)	Amount paid as advances, if any:	As on March 31, 2015, the advance amount was ₹ 68,96,610.60

For and on behalf of the Board of Directors

Abhinay Padhye	**Pratik Potnis**
(Director)	**(Director)**

Bengaluru, April 29, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of

QUEXA SYSTEMS PRIVATE LIMITED

Report on the Financial Statements

I have audited the accompanying financial statements of **QUEXA SYSTEMS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2015,** and the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters state in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2015,** and its profit and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section of 143 of the Companies Act, 2013, I give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, I report that:

   (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.

(b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) In my opinion, there are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Company.

(f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us :

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long term contracts including derivate contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to Investor Education and Protection Fund by the Company.

RICHA KHETAWAT
CHARTERED ACCOUNTANT
MEMBERSHIP NO.: 416333
Place: Bengaluru
Date:April 29, 2015

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of my report of even date)

i. (a) The Company is maintaining proper records of fixed assets, showing full particulars including quantitative details and situation of the fixed assets.

(b) The fixed assets of the Company have been physically verified by the management at reasonable intervals during the period and this revealed no material discrepancies.

(c) No fixed assets were disposed off during the period; consequently, comment under this sub-clause does not arise.

ii. The Company does not hold any inventory; consequently the comments on clause 3(ii)(a),(b) and (c) of the Order does not arise.

iii. The Company has not granted or taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 1956. Consequently, comment on clause (iii) (a) and (b) does not arise.

iv. In my opinion there are adequate internal control procedures, commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods and services. Further, during the course of my audit, I have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.

v. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, and the provisions of sections 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.

vi. The Central Government has not prescribed the maintenance of cost records under subsection (1) of section 148 of the Companies Act, 2013 for any of the products dealt with or services rendered by the Company.

vii. In respect of statutory dues;

(a) According to the information and explanations given to me and on the basis of the examination of the books of account and the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, duty of customs, wealth tax and any other material statutory dues applicable to it.

(b) According to the information and explanations given to me and on the basis of the examination of the books of account, there are no statutory dues on account of dispute.

(c) According to the information and explanations given to me and on the basis of the examination of the books of account, there are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

viii. The Company has no accumulated losses as at **March 31, 2015** and has not incurred cash losses in the financial period ended on that date or in the immediately preceding financial period.

ix. The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the period. Consequently, comment on clause 3(ix) of the Order does not arise.

x. As per the information and explanation given to me, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period; clause 3(x) of the Order is not applicable.

xi. The Company has not availed any term loan, consequently, comment on their application under clause 3(xi) of the Order does not arise;

xii. During the course of my examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to me, I have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor I have been informed of such case by the management.

RICHA KHETAWAT
CHARTERED ACCOUNTANT
MEMBERSHIP NO.: 416333
Place: Bengaluru
Date: April 29, 2015

BALANCE SHEET AS AT MARCH 31, 2015

In ₹

Details	Notes		**March 31, 2015**
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1		**170,070**
Reserves and surplus	2.2		**4,854,060**
Non-current liabilities			
Long-term provisions	2.3		**3,287,229**
Current liabilities			
Trade payables	2.4		**322,669**
Other current liabilities	2.5		**8,163,896**
Short-term provisions	2.6		**1,570,446**
Total			**18,368,370**
ASSETS			
Non-current assets			
Fixed assets:	2.7		
- Tangible assets		**1,801,640**	
- Intangible assets		**-**	
			1,801,640
Long-term loans and advances	2.8		**1,571,125**
Deferred tax assets (net)	2.9		**991,310**
Current assets			
Cash and cash equivalents	2.10		**13,419,008**
Short-term loans and advances	2.11		**585,287**
Total			**18,368,370**

The Significant Accounting Policies and Notes (1.0 to 4.6) referred to above form an integral part of the Balance Sheet.

As per my Report of even date

for and on behalf of the Board
QUEXA SYSTEMS PRIVATE LIMITED

RICHA KHETAWAT
Chartered Accountant
Membership No.: 416333
Place: Bengaluru
Date: April 29, 2015

PRATIK POTNIS
Director
DIN: 06455250
Place: Bengaluru
Date: April 29, 2015

ABHINAY PADHYE
Director
DIN: 06699864
Place: Bengaluru
Date: April 29, 2015

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

In ₹

Details	Notes		May 01, 2014 to March31, 2015
Income			
Revenue from operations	2.12		**41,495,214**
Other income	2.13		**156,612**
Total			**41,651,826**
Expenses			
Employee benefits expense	2.14		**29,043,136**
Finance costs	2.15		**20,608**
Depreciation and amortisation expenses	2.7		**441,385**
Other expenses	2.16		**7,544,426**
Total			**37,049,554**
Profit before tax			**4,602,272**
Tax expense			
Current Tax		**2,539,169**	
Deferred tax		**(1,036,090)**	
			1,503,079
Profit after tax			**3,099,193**
Earnings per equity share (of a value of ₹ 10/- each)			
Basic			**182.23**
Diluted			**182.23**
Weighted average number of equity shares used in calculating Earnings per share			**17,007**

The Significant Accounting Policies and Notes (1.0 to 4.6) referred to above form an integral part of the Statement of Profit and Loss.

As per my Report of even date

for and on behalf of the Board
QUEXA SYSTEMS PRIVATE LIMITED

RICHA KHETAWAT
Chartered Accountant
Membership No.: 416333
Place: Bengaluru
Date: April 29, 2015

PRATIK POTNIS
Director
DIN: 06455250
Place: Bengaluru
Date: April 29, 2015

ABHINAY PADHYE
Director
DIN: 06699864
Place: Bengaluru
Date: April 29, 2015

CASH FLOW STATEMENT FOR THE PERIOD

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Details	**for the period May 01, 2014 to March 31, 2015**
CASH FLOW FROM OPERATING ACTIVITIES	
Profit before tax	**4,602,272**
Depreciation and amortization expenses	**441,385**
Interest Income	**(156,411)**
Decrease / (increase) in trade receivables	**2,295,673**
Decrease / (increase) in short-term loans and advances	**(289,830)**
Increase / (decrease) in long-term provisions	**3,287,229**
Increase / (decrease) in trade payables	**114,635**
Increase / (decrease) in other current liabilities	**7,308,114**
Increase / (decrease) in short-term provisions	**373,118**
Income-taxes paid	**(1,231,091)**
Net cash from operating activities	**16,745,095**
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed assets	**(1,319,442)**
Interest Income	**156,411**
Rental deposit	**(1,134,125)**
Net cash from investing activities	**(2,297,156)**
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of share capital	**-**
Increase / (decrease) in unsecured borrowings	**(1,500,000)**
Net cash from financing activities	**(1,500,000)**
Total increase / (decrease) in cash and cash equivalents during the period	**12,947,939**
Cash and cash equivalents at the beginning of the period	**471,070**
Cash and cash equivalents at the end of the period	**13,419,008**

The Significant Accounting Policies and Notes (1.0 to 4.6) referred to above form an integral part of the Cash Flow Statement.

As per my Report of even date

for and on behalf of the Board
QUEXA SYSTEMS PRIVATE LIMITED

RICHA KHETAWAT
Chartered Accountant
Membership No.: 416333
Place: Bengaluru
Date: April 29, 2015

PRATIK POTNIS
Director
DIN: 06455250
Place: Bengaluru
Date: April 29, 2015

ABHINAY PADHYE
Director
DIN: 06699864
Place: Bengaluru
Date: April 29, 2015

NOTES TO ACCOUNTS

Company background

Quexa Systems Private Limited (the "Company") was incorporated on January 14, 2013 with the Registrar Of Companies, Maharashtra, India and was formed to provide services / products, including but not limited to information technology enabled services, such as software consulting, software development, computer software, technical training and allied services / products.

Management

The Company is managed by its Board of Directors, whose members are:
Pratik Potnis, Director
Abhinay Padhey, Director

Business, location

The Company currently operates at Bengaluru, Karnataka, India. However, the registered office of the Company is at Pune, Maharashtra, India.

1.0 SIGNIFICANT ACCOUNTING POLICIES

1.1 <u>Basis for preparation of financial statements</u>

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Policies (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standard) Rules, 2006 and the provisions specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the erstwhile Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the procurement of service, sale of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non current classification of assets and liabilities.

1.2 <u>Use of estimates</u>

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 <u>Revenue Recognition</u>

Revenue is generally recognized when all significant contractual obligations have been satisfied and collection of the resulting receivable is reasonably assured. Revenue from the rendering software services is recognised based on services rendered and billed to the clients as per the terms of specific contracts. Profit estimates are revised periodically based on changes in facts. Any losses on long term contracts are recognised immediately.

The Company reports revenues net of taxes. Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

Unbilled revenue represents amounts recognised based on services performed in advance of billing in accordance with contract terms and is net of estimated allowance for uncertainties and provision for estimated losses.

1.4 Expenditure

Expenses are accounted on an accrual basis and provision is made for all known losses and liabilities.

1.5 Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation thereon. Direct costs attributable in bringing the assets to its working condition for intended use are capitalised as cost of acquisition. Borrowing cost directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

1.6 Depreciation

The Company computes depreciation of all tangible fixed assets including for assets taken on lease using the straight line method based on estimated useful life. Depreciation is charged on a pro-rata basis for assets purchased or sold during the period. Management's estimate of the useful life of tangible and intangible assets is as follows:

i.	Computers & peripherals	3 years
ii.	Office equipment	5 years
iii.	Furniture & fixtures	5 years
iv.	Leasehold improvements	Lower of lease period or expected occupancy

Depreciation is accelerated on fixed assets, based on their condition, usability etc, as per the technical estimates of the Management, where necessary.

Leasehold land is amortised over the period of lease.

Assets costing upto ₹ 5,000/- are fully depreciated in the year of purchase.

The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

Project specific intangible assets are amortised over their estimated useful lives on a straight line basis or over the period of the license, whichever is lower.

1.7 Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

1.8 Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

1.9 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.10 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.1 SHARE CAPITAL

Details	In ₹ March 31, 2015
Authorised	
30,000 equity shares of ₹ 10/- each.	**300,000**
Issued, subscribed and paid up share capital	
17,007 equity shares of ₹ 10/- each.	**170,070**
Total	**170,070**

Of the above issued shares; 17,006 shares are held by M/s. FixStream Networks Inc. California, USA, the Holding Company and the Ultimate Holding Company is M/s. Tech Mahindra Limited, India.

The company has only one class of shares, referred to as equity shares, having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist, currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

For the period of five years immediately preceding the date as at which the balance sheet is prepared

Sl. No.	Particulars	Details
1.	Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	NIL
2.	Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	NIL
3.	Aggregate number and class of shares bought back.	NIL
4.	Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.	N.A.
5.	Calls unpaid (showing aggregate value of calls unpaid by directors and officers).	NIL
6.	Forfeited shares (amount originally paid up).	N.A.

Details of Shareholders holding more than 5% of share capital

Particulars	March 31, 2015	
	Number of Shares	**% held**
Equity Shares		
FixStream Networks Inc., USA	**17,006**	**99.99%**
Total	**17,006**	99.99%

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	March 31, 2015	
	Number of Shares	**Amount in ₹**
Equity Shares		
Shares outstanding at the beginning of the period	**17,007**	**170,070**
Add: Shares issued during the period	**-**	**-**
Less: Bought back during the period	**-**	**-**
Shares outstanding at the end of the period	**17,007**	**170,070**

2.2 RESERVES AND SURPLUS

		March 31, 2015 In ₹
Securities premium account		
Balance at the beginning of the period	**1,005,329**	
Add: Addition made during the period	-	
		1,005,329
Surplus balance in Statement of Profit and Loss		
Balance at the beginning of the period	**749,538**	
Add: Profit for the period	**3,099,193**	
		3,848,731
Balance at the end of the period		**4,854,060**

2.3 LONG-TERM PROVISIONS

Details	**March 31, 2015 In ₹**
Provision for employee benefits	
Provision for gratuity	**445,085**
Provision for compensated absences	**2,842,144**
Total	**3,287,229**

The Company's liability for compensated absences is unfunded.

2.4 TRADE PAYABLES

Details	**March 31, 2015 In ₹**
Micro, small and medium enterprises	**-**
Other payables	**322,669**
Total	**322,669**

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid / payable under this Act have not been given.

2.5 OTHER CURRENT LIABILITIES

Details	**March 31, 2015 In ₹**
Statutory dues	**1,062,677**
Other payables	
Contractual payables towards employees'	**192,608**
Contractual payables towards directors'	**12,000**
Advances from customers	**6,896,611**
Total	**8,163,896**

Other payables Includes statutory liabilities, employee payables towards paying for company expenses and advance from customers represents advances received from the holding company.

2.6 SHORT-TERM PROVISIONS

Details	March 31, 2015 In ₹
Provision for taxation	**1,197,328**
Provision for employee benefits	
Provision for gratuity	**2,748**
Provision for compensated absences	**370,370**
Total	**1,570,446**

Provision for taxation is net of taxes paid of ₹ 12,31,091 (Previous Year: ₹ 4,02,575/-)

2.7 FIXED ASSETS

										In ₹
Description	**Gross Block**				**Accumulated Depreciation / Ammortisation**				**Net Block**	
	As at May 01, 2014	**Additions**	**Deductions**	**As at March 31, 2015**	**As at May 01, 2014**	**for the period**	**Deductions**	**As at March 31, 2015**	**As at May 01, 2014**	**As at March 31, 2015**
Tangible assets										
Computers and peripherals	932,248	1,289,253	-	**2,221,501**	165,152	377,663	-	**542,815**	767,096	**1,678,686**
Office equipments	143,218	7,490	-	**150,708**	14,503	26,840	-	**41,343**	128,715	**109,365**
Furniture and fixtures	77,360	-	-	**77,360**	49,588	14,183	-	**63,771**	27,772	**13,589**
sub-total	1,152,826	1,296,743	-	**2,449,569**	229,243	418,686	-	**647,929**	923,583	**1,801,640**
Intangible assets										
Computer software	-	22,699	-	**22,699**	-	22,699	-	**22,699**	-	**-**
sub-total	-	22,699	-	**22,699**	-	22,699	-	**22,699**	-	**-**
Total	1,152,826	1,319,442	-	**2,472,268**	229,243	441,385	-	**670,628**	923,583	**1,801,640**

2.8 LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Details	March 31, 2015 In ₹
Deposits	**1,571,125**
Total	**1,571,125**

2.9 DEFERRED TAX LIABILITY / (ASSET)

Details	March 31, 2015 In ₹
Opening balance	**44,610**
Add: Adjustment during the year	**170**
Less: Adjustment during the year	**1,036,090**
Total	**(991,310)**

2.10 CASH AND CASH EQUIVALENTS

	March 31, 2015 In ₹
Cash on hand	1,677
Balances with banks in current account	13,417,331
Total	13,419,008

2.11 SHORT-TERM LOANS AND ADVANCES

Balances with Government authorities	325,080
Advance to vendors	10,152
Other loans and advances	250,055
Total	585,287

Balances with Government authorities represent balances dues on account of service-tax input credit.

Other loans and advances includes expense advances paid to director and prepaid expenses.

2.12 REVENUE FROM OPERATIONS

Sale of services	
Software development services (export)	41,495,214
Total	41,495,214

2.13 OTHER INCOME

Interest income on bank deposits	156,411
Other income	201
Total	156,612

2.14 EMPLOYEE BENEFITS EXPENSE

Salaries and wages	27,793,745
Contribution to provident and other funds	597,684
Staff welfare expenses	651,707
Total	29,043,136

2.15 FINANCE COSTS

Bank charges	20,608
Total	20,608

2.16 OTHER EXPENSES

Rent	1,191,766
Office expenses	497,819
Power and fuel charges	230,321
Communication expenses	268,931
Travel and conveyance	1,348,285
Legal and professional charges	2,076,731
Remuneration to auditors'	300,000
Insurance	296,943
Repairs and maintenance	139,338
Printing and stationery	102,946
Foreign exchange translation losses	966,758
Miscellaneous expenses	124,588
Total	7,544,426

3.0 OTHER DISCLOSURES UNDER THE COMPANIES (ACCOUNTING STANDARDS) RULES, 2006

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the erstwhile Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

3.1 Accounting Standard (AS) 3 - Cash Flow Statements

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.2 Accounting Standard (AS) 11 - The Effects of Changes in Foreign Exchange Rates

During the year the Company incurred a loss of ₹ 9,66,758/-on account of (a) the differences in the foreign exchange translation rates on the date of accrual of income and the receipt of the same or (b) restatement of current assets and current liabilities as at the balance sheet date. This loss has been debited to the profit and loss account for the year.

3.3 Accounting Standard (AS) 15 - Employee benefits

Short term employee benefits

Employee benefits falling due wholly within twelve months of rendering the services have been classified as short term employee benefits. The cost of these benefits, like salaries, wages, compensated absences and cost of bonus aggregating to ₹ 2,77,93,745/- have been accounted as an expenses and included in "Employee Benefit Expenses" in the Statement of Profit and Loss.

Post employment benefits

Defined contribution plan: Employees' provident fund and employees' pension schemes maintained by the Central Government under the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 are defined contribution plans. During the year the Company has contributed a sum of ₹ 1,49,851/- towards this scheme.

Defined benefit plan: The Company's obligation to pay gratuity and for compensated absences is determined based on actuarial valuation using the Projected Unit Credit Method. This method recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company has ascertained the liability for Gratuity payable under the Payment of Gratuity Act, 1972 through an Actuary which is in accordance with requirement of Accounting Standard 15 (Revised - Employee Benefits) amounting to ₹ 4,47,833/-.

Details of Gratuity	**March 31, 2015 In ₹**
Assets / Liabilities	
Defined Benefits Obligation (DBO)	**447,833**
Fair Value of Plan Assets	**-**
Funded status [Surplus / (Deficit)]	**(447,833)**
Current liability	**2,748**
Non-current liability	**445,085**
Employer expense	
Current service cost	**447,833**
Total employer expense	**447,833**
Key assumptions used	
Discount rate	**7.90%**
Rate of salary increases	**10.00%**

3.4 Accounting Standard (AS) 17 - Segment Reporting

The Company's business activity falls within a single primary business segment, viz. software development and support services.

Geographical segments

The Company operates only from India and provides services only to its holding company, overseas.

Fixed assets and additions thereto, both, tangible and intangible, are located within India only.

3.5 Accounting Standard (AS) 18 - Related Party transactions

Name of the related parties with whom transactions were carried out during the year / previous year and description of relationship;

Shareholders' with significant interest: **FixStream Networks Inc., USA (Holding Company)**

Names of key management personnel

Key management personnel: Mr. Pratik Potnis, Director
Mr. Abhinay Padhey, Director

Related party transactions made during the period

Particulars	**FixStream Networks Inc. USA May 01, 2014 to March 31, 2015 In ₹**	**Key mgt. personnel May 01, 2014 to March 31, 2015 In ₹**
Issue of additional equity shares	**-**	**-**
Unsecured loan taken / (repaid)	**-**	**(1,500,000)**
Software development services provided	**41,495,214**	**-**
Remuneration to directors'	**-**	**6,405,874**
Re-imbursement of expenses paid / (received)	**(329,316)**	**1,040,105**

Amount due to / from related parties as at Balance Sheet date

Particulars	**FixStream Networks Inc. USA March 31, 2015 In ₹**	**Key mgt. personnel March 31, 2015 In ₹**
Other current liabilities	**6,896,611**	**-**
Expense re-imbursements payable	**-**	**12,000**

3.6 Accounting Standard (AS) 19 - Leases

The Company's does not have any financial lease obligations during the year.

The operating lease arrangements relate to rented commercial premises. The lease agreements provide an option to the Company to renew or extend the lease period at the end of the lease period. These lease agreements have price escalated clauses, but do not contain any exceptional or restrictive covenants.

Operating lease obligations	**March 31, 2015 In ₹**
During the year	**12,91,766**
Within one year of the Balance Sheet date	**14,18,055**
Due in a period between one year and five years	**51,09,278**
Due after five years	**-**

3.7 Accounting Standard (AS) 20 - Earnings Per Share

Details	March 31, 2015 In ₹
Profit after tax	**30,99,193**
Weighted average number of shares outstanding (refer note, below)	**17,007**
Earnings per share	**182.23**
Par value per share	**10.00**

Details of shares issued	**March 31, 2015**
Number of shares outstanding at the beginning of the year	**17,007**
Shares issued during the year	**-**
Number of shares outstanding at the end of the year	**17,007**

3.8 Accounting Standard (AS) 22 - Accounting for Taxes on Income

Deferred tax asset for the period is provided for ₹ 10,36,090/- on account of timing difference arising out of depreciation and other employee benefit payments.

3.9 Accounting Standard (AS) 29 - Provisions, Contingent Assets and Contingent Liabilities

Details of provisions, contingent liabilities and contingent assets as per Accounting Standard 29 issued under the Companies (Accounting Standards) Rules, 2006.

Details	Opening balance as on May 01, 2014	Paid / reversed during the year	Provision made during the year	**Closing balance as on March 31, 2015**
Provision for employee benefits				
Gratuity	-	-	4,47,833	**4,47,833**
Compensated absences	-	3,750	32,16,264	**32,12,514**

Contingent liabilities and commitments	**March 31, 2015 In ₹**
A. Contingent liabilities	**-**
Claims against the Company not acknowledged as debts	**-**
Counter-guarantee given to banks in respect of guarantees given to	**-**
Other money for which the Company is contingently liable	**-**
B. Commitments	
Estimated amount of contracts remaining to be executed on capital	**-**
Uncalled liability on shares and other investments partly paid	**-**
Other commitments (specify the nature)	**-**

4.0 OTHER NOTES

4.1 Imports

During the year, the company did not import any capital goods, raw-materials, components and spare parts.

4.2 Earnings in foreign exchange classified under the following heads, namely (reported on accrual basis)

Particulars	**March 31, 2015 In ₹**
Software development services	**4,14,95,214**

4.3 Expenditure incurred in foreign currency (reported on accrual basis) - NIL (Previous Year: NIL)

4.4 Transfer pricing

The Company has undertaken necessary steps to comply with the transfer pricing regulations of the Income Tax Act, 1961. The Management is of the opinion that the international transactions are at arm's length and, hence, the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

4.5 Confirmation of balances

No independent confirmation of balances have been received from debtors and creditors and therefore, the amounts reported in the Balance Sheet are those which are reflected in the Company's books of accounts.

4.6 Previous year's figures

The previous year's figures are not presented herewith, only the post acquisition of it's parent company by ultimate holding company, Tech Mahindra Limited are presented.

As per my Report of even date

for and on behalf of the Board
QUEXA SYSTEMS PRIVATE LIMITED

RICHA KHETAWAT	**PRATIK POTNIS**	**ABHINAY PADHYE**
Chartered Accountant	Director	Director
Membership No.: 416333	DIN: 06455250	DIN: 06699864
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: April 29, 2015	Date:	Date:

MAHINDRA TECHNOLOGIES SERVICES INC.

Board of Directors

Prashant Kamat

Lakshmanan Chidambaram

Registered Office

1960 Technology Drive,

Suite 126

Troy Michigan 48083

Bankers

Chase Bank

Auditors

Ram Associates

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2015.

Financial Results:

For the year ended March 31	**2015 $**	2014 $
Income	**7,906,095**	9,147,843
Profit/(Loss) before tax	**417,904**	692,662
Profit/(Loss) after tax	**231,255**	446,558

Review of Operations:

During the year under review, your company recorded an income of US$ 7,906,095 a decrease of 13.57% over the previous year. Profit after tax for the current year was US$ 231,255 as against profit of US$ 446,558 compared to the previous year.

OPERATIONS:

The Revenues and Profits after Tax for the current year were lower as compared to last year mainly due to stagnation in one of the anchor customers of the Company.

HOLDING COMPANY

Your Company's immediate parent Company is Mahindra Engineering Services Limited, got amalgamated with Tech Mahindra Ltd a company incorporated in India,effective 8th December, 2014.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Prashant Kamat
Director

Place : Michigan

Date : May 20, 2015

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
of Mahindra Technologies Services Inc

We have audited the accompanying financial statements of Mahindra Technologies Services Inc (a Michigan Corporation), which comprise the balance sheets as of March 31, 2015 and 2014, and the related statements of income, retained earnings, and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mahindra Technologies Services as of March 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Ram Associates
Hamilton, NJ

May 20, 2015.

MAHINDRA TECHNOLOGIES SERVICES INC.

BALANCE SHEETS AS AT MARCH 31,

	2015	2014
	$	$
ASSETS		
Current assets:		
Cash	**820,457**	1,158,770
Accounts receivable	**1,569,876**	1,547,631
Other current assets	**31,265**	370,355
Total current assets	**2,421,598**	3,076,756
Fixed assets, net	**33,668**	235,991
Security deposit	**4,324**	4,324
TOTAL ASSETS	**2,459,590**	3,317,071
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	**376,021**	425,305
Deferred tax liabilities	**21,676**	49,285
Total current liabilities	**397,697**	474,590
Inter-company payables	**-**	1,011,843
Stockholder's equity:		
Common Stock - $10 per share par value - 1,000,000 shares authorized, 105,000 shares issued and outstanding	**1,050,000**	1,050,000
Retained earnings	**1,011,893**	780,638
Total stockholder's equity	**2,061,893**	1,830,638
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**2,459,590**	3,317,071

For MAHINDRA TECHNOLOGIES SERVICES INC.

Prashant Kamat
Director

Lakshmanan Chidambaram
Director

See Accompanying notes to the financial statements.

STATEMENTS OF INCOME FOR THE YEARS ENDED MARCH 31,

	2015	2014
	$	$
Net revenue	**7,906,095**	9,147,843
Cost of revenue	**6,574,696**	7,418,955
Gross income	**1,331,399**	1,728,888
Operating expenses :		
Selling, general and administration expenses	**816,838**	976,111
Income before other income /(expense)	**514,561**	752,777
Interest income	**1,476**	2,431
Gain on sale of assets	**8,979**	-
Depreciation	**(101,496)**	(62,188)
Amortization	**(5,616)**	(358)
Income before income tax benefit/(expense)	**417,904**	692,662
Income tax benefit/(expense)	**(186,649)**	(246,104)
Net income	**231,255**	446,558

For MAHINDRA TECHNOLOGIES SERVICES INC.

Prashant Kamat	Lakshmanan Chidambaram
Director	Director

See Accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY/(DEFICIENCY) FOR THE YEARS ENDED MARCH 31,

	Common stock		Retained earnings/ (deficit)	Total stockholder's equity/ (deficiency)
	Shares	Amount		
		$	$	$
Balance at March 31, 2013	5,000	50,000	334,080	384,080
Issuance of stock	100,000	1,000,000		1,000,000
Net income			446,558	446,558
Balance at March 31, 2014	105,000	1,050,000	780,638	1,830,638
Net income			231,255	231,255
Balance at March 31, 2015	**105,000**	**1,050,000**	**1,011,893**	**2,061,893**

For MAHINDRA TECHNOLOGIES SERVICES INC.

Prashant Kamat
Director

Lakshmanan Chidambaram
Director

See Accompanying notes to the financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31,

	2015 $	2014 $
Cash flow from operating activities		
Net income	**231,255**	446,558
Adjustments to reconcile net income to net cash provided by/(used in) operating activities		
Depreciation	**101,496**	62,188
Amortization	**5,616**	358
Gain on sale of assets	**(8,979)**	-
Deferred taxes	**(27,609)**	12,667
Changes in assets and liabilities		
(Increase) / Decrease in accounts receivable	**(22,245)**	909,568
(Increase) / Decrease in other current assets	**339,090**	(31,383)
Increase / (Decrease) in accounts payable and accrued expenses	**(49,284)**	(76,480)
Total adjustments	**338,085**	876,918
Net cash provided by /(used in) operating activities	**569,340**	1,323,476
Cash flow from investing activities		
Sale of assets	**107,962**	-
Purchase of fixed assets	**(3,772)**	(38,765)
Net cash provided by /(used in) investing activities	**104,190**	(38,765)
Cash flow from financing activities		
Increase/(Decrease) in inter-company payables	**(1,011,843)**	(1,838,411)
Issuance of common stocks	**-**	1,000,000
Net cash provided by/(used in) financing activities	**(1,011,843)**	(838,411)
Net increase /(decrease) in cash	**(338,313)**	446,300
Cash at the beginning of the year	**1,158,770**	712,470
Cash at the end of the year	**820,457**	1,158,770
Supplementary disclosures of cash flows information		
Cash paid during the years-		
Interest	**-**	-
Income taxes	**1,43,199**	40,000

For MAHINDRA TECHNOLOGIES SERVICES INC.

Prashant Kamat Director	Lakshmanan Chidambaram Director

See Accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2015

1) ORGANIZATION AND DESCRIPTION OF BUSINESS

Mahindra Technologies Services Inc, "the Company" was incorporated under the laws of the State of Michigan on June 04, 2009 for the purpose of providing Information Technology enabled engineering services that envelope CAD, CAE, e-Engineering and software engineering solutions for automotive, aerospace and manufacturing industries. On October 31, 2014, Mahindra Engineering Services Limited ("MESL") the holding company has merged with Tech Mahindra Limited. Consequently Mahindra Technologies Services Inc. is now a 100% subsidiary of Tech Mahindra Limited ("TML").

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"); consequently, revenue is recognized when services are rendered rather than when received. Expenses and purchase of assets are recognized when incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are often based on judgments, probabilities and assumptions that the management believes are reasonable but that are inherently uncertain and unpredictable. As a result, actual results could differ from those estimates.

Management periodically evaluates estimates used in the preparation of the consolidated financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based on such periodic evaluations.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of highly liquid investments with maturities of three months or less from the date of purchase.

Accounts Receivable

The Company extends credit to clients based upon management's assessment of their creditworthiness on an unsecured basis. The Company provides an allowance for uncollectible accounts based on historical experience and management evaluation of trend analysis. The allowances for uncollectible accounts as of March 31, 2015 were $ Nil.

Revenue Recognition

The Company recognizes revenue in accordance with the SEC's Staff Accounting Bulletin Topic 13 ("Topic 13"), "Revenue Recognition." Revenue is recognized when all of the following criteria are met: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the seller's price to buyer is fixed and determinable, and (4) collectability is reasonably assured.

Revenues are primarily derived from professional services under time and materials contracts, which are recognized in the period in which services are provided.

Revenue related to services performed without a signed agreement or work order are not recognized until there is evidence of an arrangement, such as when agreements or work orders are signed or payment is received; however, the cost related to the performance of such work is recognized in the period the services are rendered.

For all services, revenue is recognized when, and if, evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability is assured. Unbilled accounts receivable represents amounts recognized as revenue based on services performed in advance of customer billings. As of March 31, 2015 and 2014, the Company had unbilled accounts receivable of $ 183,172 and $ 666,963 respectively.

Revenues related to fixed price contracts for professional services are recognized using a model that is similar to the proportional performance method. Anticipated losses are recognized when they become known. Revisions in estimated profits are made in the month in which the circumstances requiring the revision become known.

Concentrations

The Company's financial instruments that are exposed to concentration of credit risks consist primarily of cash and accounts receivable. The Company maintains its cash in bank accounts, which, sometimes, exceed federally insured limits.

The Company has not experienced any losses in such accounts. The Company believes it is not exposed to significant credit risk on cash. Concentration of credit risks with respect to accounts receivable are limited because of the credit worthiness of the Company's major customers. Revenue from the Company's major two customers accounted for 89% and 87% of the Company's net sale for the years ended March 31, 2015 and 2014, respectively, and the accounts receivable from the same major two customers were 59% and 96% as of March 31, 2015 and 2014, respectively.

Property and Equipment

The Company computes depreciation of all tangible fixed assets including for assets taken on lease using the straight line method based on estimated useful life. Management's estimate of the useful life of tangible and intangible assets is as follows:

Computers	3 years
Plant and Equipment	3 to 5 years
Furniture and Fixtures	5 years
Vehicles	5 years

The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use. Project specific intangible assets are amortized over their estimated useful lives on a straight line basis or over the period of the license, whichever is lower.

At March 31, 2015 and 2014 property and equipment consisted of the following:

	March 31, 2015 $	March 31, 2014 $
Computers	**42,796**	168,095
Office equipment	**10,060**	35,042
Furniture	**88,701**	125,327
Software	**2,647**	3,459
	144,204	331,923
Less: Accumulated depreciation	**110,536**	95,932
Fixed assets, net	**33,668**	235,991

The Company charges repairs and maintenance costs that do not extend the lives of the assets to expenses as incurred.

The depreciation and amortization expenses were $107,112 and $ 62,546 for the years ended March, 31, 2015 and 2014, respectively.

During the year, the Company disposed of various assets with gross amount of $ 191,491 and accumulated depreciation of $ 92,507 for a gain of $ 8,979.

Issue of Stock

The Company increased the authorized capital to 1,000,000 shares of common stock at par value of $10. During the year ended March 31, 2014, the Company issued additional 100,000 shares of common stock at $10 par value to MESL, which were fully paid at March 31, 2015.

Fair Value Measurements

FASB ASC 820, Fair Value Measurements and Disclosures defines fair value and establishes a hierarchy for reporting the reliability of input measurements used to assess fair value for all assets and liabilities. FASB ASC 820 defines fair value as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short-term, highly liquid nature. These instruments include cash, accounts receivable, accounts payable and accrued expenses and other liabilities.

3) RELATED PARTY

Mahindra Technologies Services Inc is a 100% owned subsidiary of Tech Mahindra Limited ("Parent Company"). Mahindra and Mahindra Limited, ("Promoter Group") has ownership interest in Tech Mahindra Limited.

During the years ended March 31, 2015 and 2014 the Company received goods and services worth of $ NIL and $ 919,117 respectively, from the Parent Company. The Company during the years ended March 31, 2015 and 2014 provided services worth $ 2,344,605 and $ 2,255,180 to the Promoter Group.

As of March 31, 2015 and 2014, the Company had a payable balance of $ 76,607 and $ 1,011,843, respectively, to the Parent Company. The Company had a receivable balance of $ 324,000 and $ 604,209 from the Promoter Group as of March 31, 2015 and 2014 respectively.

4) LITIGATION AND CONTINGENCIES

The Company does not have any knowledge of any involvement in legal proceedings, either of which the Company has initiated or has been brought against it. The Company's liabilities have been reported on the balance sheet and have no knowledge of any further liabilities or contingencies.

5) INCOME TAX

Income taxes have been provided for using an assets and liability approach in which deferred tax assets and liabilities are recognized for the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is provided for the portion of deferred tax assets when, based on available evidence, it is not "more-likely-than-not" that a portion of the deferred tax assets will not be realized.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The differences relate primarily to depreciable assets (using accelerated depreciation methods) and net operating losses carry overs.

Income tax expense (benefit) was computed as follows:

	March 31, 2015 $	March 31, 2014 $
Property and equipment	**(25,434)**	(49,285)
Deferred rent expense	**3,758**	-
Total Deferred income taxes	**(21,676)**	(49,285)

Income tax expense (benefit) was computed as follows

	March 31, 2015 $	March 31, 2014 $
Federal income tax	**179,778**	193,965
State income tax	**34,480**	39,472
Total income taxes, current provision	**214,258**	233,437
Deferred income taxes (benefit)	**(27,609)**	12,667
Total (benefit)/expense	**186,649**	246,104

The Company's effective tax rate for the years ended March 31, 2015 and 2014 were 44.66% and 35.53%, respectively. The future effective income tax rate depends on various factors, such as the Company's income (loss) before taxes, tax legislation and the geographic composition of pre-tax income.

The Company's tax returns for last three years are subject to examination by federal and state taxing authorities following the date of filing.

7) NEW ACCOUNTING PRONOUNCEMENTS

i) In August 2014, the Financial Accounting Standards Board ("FASB") issued amended guidance related to disclosure of uncertainties about an entity's ability to continue as a going concern. The new guidance requires management to evaluate whether there is substantial doubt about the entity's ability to continue as a going concern and, as necessary, to provide related footnote disclosures. The guidance has an effective date of December 31, 2016. The Company believes that the adoption of this new standard will not have a material impact on its consolidated financial statements.

ii) In May 2014, the Financial Accounting Standards Board, or FASB, issued Accounting Standard Update, or ASU, 2014-09 Revenue from Contracts with Customers, which provides a single, comprehensive revenue recognition model for all contracts with customers. The core principal of this ASU is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. This ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2016. Early adoption is not permitted. The Company is currently evaluating the impact this ASU will have on its consolidated financial statements.

iii) In January 2015, the Financial Accounting Standards Board, or FASB, issued Accounting Standard Update, or ASU, 2015-01 Income Statement-Extraordinary and Unusual Items, which seeks to simplify income statement presentation by eliminating the concept of Extraordinary Items. This Update eliminates from GAAP the concept of extraordinary items. Subtopic 225-20, Income Statement—Extraordinary and Unusual Items, required that an entity separately classify, present, and disclose extraordinary events and transactions. The amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively. A reporting entity also may apply the amendments retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption.

8) LEASE COMMITMENTS

The Company has entered into an office lease expiring through December 2017. Accounting principles generally accepted in the United States, require the recognition of rental expense in financial statements on a level basis over the term of the lease. In order to recognize rent expense ratably over the term of the lease, management has accrued additional rent expense of approximately $ 25,057 in operations. The future minimum rental payments under the lease agreement are as follows:

For the Period ended March 31,

2016	76,584
2017	80,633
2018	62,752
Total	219,969

For the years ended March 31, 2015 and 2014, rent expenses were $ 99,200 and $ 71,937 respectively.

9) SUBSEQUENT EVENTS

For the year ended March 31, 2015, the Company has evaluated subsequent events for potential recognition and disclosure through April 24, 2015, the date the financial statements were available for issuance. No reportable subsequent events have occurred through April 24, 2015 which would have a significant effect on the financial statements as of March 31, 2015 except as otherwise disclosed.

MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED

Board of Directors

Prashant Kamat

Vikram Narayanan Nair

Registered Office

Atrium Court,

The Ring,

Bracknell RG12 1BW

Bankers

HSBC Limited

Auditors

Lipson & Co.

REPORT OF THE DIRECTORS

Your Directors present their Fifteenth report with the financial statements of the Company for the year ended 31st March, 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was to provide I.T. services for the automotive industries.

REVIEW OF BUSINESS

The results for the year under review and financial position of the company are as follows:

For the year ended March 31	**2015 GBP**	2014 GBP
Income	**2,638,493**	2,772,603
Profit/(Loss) before tax	**741,290**	360,932
Profit/(Loss) after tax	**585,246**	277,643

DIVIDEND

Keeping in mind the funding requirements for growth of the Company, no dividend is recommended for the year ended 31stMarch, 2015.

OPERATIONS

The revenues of the Company has come down, however the Profits After Tax (PAT) increased, as compared with the previous years.

DIRECTORS

Effective 11th March, 2015 Mr. Sanjay Joglekar resigned from the Board of the Company and Mr.Prashant Kamat held office during the whole of the period from 1st April 2014 to 31st March, 2015.

HOLDING COMPANY

The Company's immediate parent Company is Mahindra Engineering Services Limited, a Company incorporated in India. The Company's ultimate parent Company is Mahindra and Mahindra Limited, a Company also incorporated in India.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable laws and regulations. The Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Profit or Loss of the Company for that period. In preparing these financial statements, the Directors are required to:

– select suitable accounting policies and then apply them consistently;
– make judgments and accounting estimates that are reasonable and prudent;
– state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
– prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act, 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:

Prashant Kamat

Director

Date : May 20, 2015
Place: Mumbai

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF MAHINDRA ENGINEERING SERVICES (EUROPE) LIMITED

We have audited the financial statements of Mahindra Engineering Services (Europe) Limited for the year ended 31 March 2015. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

MYRON LIPSON FCCA (Senior Statutory Auditor)

for and on behalf of Lipson & Co Ltd
Chartered Certified Accountants & Statutory Auditors
6-8 Sevenways Parade,Gants Hill
Ilford, Essex
IG2 6XH
20 May 2015

BALANCE SHEET AS AT 31 MARCH 2015

	Notes	Mar-15	Mar-14
		£	£
Fixed Assets	5	**-**	14
Investments	6	**701,234**	9,230
Current Assets			
Loan & Advances		**-**	678,527
Debtors	7	**1,015,788**	695,232
Cash at Bank		**1,176,791**	1,009,679
		2,192,579	2,383,438
Creditors: amounts falling due within one year	8	**572,575**	656,690
Net current assets		**1,620,004**	1,726,748
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,321,238**	1,735,992
CAPITAL AND RESERVES			
Share Capital	9	**65,000**	65,000
Reserves	12	**2,256,238**	1,670,992
		2,321,238	1,735,992

The financial statements were approved by the Board of Directors on 20th May 2015 and were signed on its behalf by:

Prashant Kamat
Director

Vikram Narayanan Nair
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Year Ended Mar-15	Year Ended Mar-14
	£	£
Sales - Services	**2,638,493**	2,772,603
Cost of sales		
Technical Services	**602,761**	1,187,501
Salaries	**996,035**	733,702
Employers NI	**32,887**	34,084
Employers Pension Contributions	**167**	
Internet Charges	**24,821**	23,894
Training Costs	**-**	154,000
	1,656,671	2,133,181
Gross Profit	**981,822**	639,422
Other Income	**-**	4,992
Interest Income	**13,080**	33,199
	994,902	677,613
Less: Expenses		
Telephone	**6,228**	12,263
Travelling & Subsistence	**60,300**	108,860
Motor expenses	**445**	394
Software	**758**	3,503
Advertising	**179**	674
Welfare Expenses	**3,044**	5,105
Audit & Accountancy	**8,096**	12,185
Legal & Professional	**20,641**	29,460
Entertainment	**3,833**	3,702
Rent,rates	**4,837**	5,228
Insurance	**771**	1,196
Bank Charges	**1,907**	885
Postage & Stationery	**1,250**	1,641
Exchange Loss/(Gain)	**763**	751
Repairs and Renewals	**0**	300
Equipment Hire	**0**	0
Marketing Costs	**140,546**	130,520
	253,598	316,667
Profit before Depreciation	**741,304**	360,946
Less: Depreciation	**14**	14
Profit for the period before taxation	**741,290**	360,932
Corporation Tax	**156,044**	83,289
Profit for the period after taxation	**585,246**	277,643

Prashant Kamat
Director

Vikram Narayanan Nair
Director

PROFIT AND LOSS ACCOUNT

	Notes	**Year Ended Mar-15 £**	Year Ended Mar-14 £
TURNOVER		**2,638,493**	2,772,603
Cost of sales		**1,656,671**	2,133,181
GROSS PROFIT		**981,822**	639,422
Administrative expenses		**253,612**	316,681
OPERATING PROFIT		**728,210**	322,741
Interest receivable and other income		**13,080**	38,191
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**741,290**	360,932
Tax on profit on ordinary activities	4	**156,044**	83,289
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		**585,246**	277,643
Profit For the Year		**585,246**	277,643
Rendered Profit Brought forward		**1,670,992**	1,393,349
RETAINED PROFIT CARRIED FORWARD		**2,256,238**	1,670,992

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous period.

For and on behalf of Board of Directors

Prashant Kamat
Director

Vikram Narayanan Nair
Director

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Year Ended Mar-15 £	Year Ended Mar-14 £
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before taxation	**741,290**	360,932
Adjustment for:		
Depreciation/Amortisation	**14**	14
Interest Income	**(13,080)**	(33,199)
Interest and Finance Charges	**0**	0
Loss on sale of Fixed assets	**0**	0
Operating Profit before Working Capital changes	**728,224**	327,747
Changes in:		
Trade and other receivables	**369,279**	(345,709)
Trade and other payables	**(124,414)**	246,074
	244,865	(99,635)
Cash Generated from Operations	**973,089**	228,112
Income Taxes Paid	**(115,500)**	(70,000)
NET CASH FROM OPERATING ACTIVITIES	**857,589**	158,112
CASH FLOW FROM INVESTING ACTIVITIES:		
B. Purchase of fixed assets	**0**	0
Sale of fixed assets	**0**	0
Purchase of Investments	**(692,004)**	(9,230)
Sale of Current Investments	**0**	0
Interest received / Profit on sale of Investment	**1,527**	784
Loss on sale of Fixed assets		
NET CASH USED IN INVESTING ACTIVITIES	**(690,477)**	(8,446)
CASH FLOW FROM FINANCING ACTIVITIES:		
Net Increase/(decrease) in cash and cash Equivalents	**167,112**	149,666
Opening Balance	**1,009,679**	860,013
Closing Balance	**1,176,791**	1,009,679

For and on behalf of Board of Directors

Prashant Kamat	**Vikram Narayanan Nair**
Director	Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2015

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Depreciation / amortisation of fixed assets:

The company computes depreciation of all tangible fixed assets including for assets taken on lease using the straight line method based on estimated useful life. Depreciation is charged on a pro rata basis for assets purchased or sold during the period. Management's estimate of the useful life of tangible and intangible assets is as follows:

Computers	3 years
Plant and Equipment	3 to 5 years
Furniture and Fixtures	5 years
Vehicles	5 years
Office Equipments	5 years

The cost of software purchased for internal use is capitalised and depreciated in full in the month in which it is put to use.

Project specific intangible assets are amortised over their estimated useful lives on a straight line basis or over the period of the license, whichever is lower.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Cash flow exemption

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published accounts.

2. OPERATING INCOME

The operating profit is stated after charging:

	Period Ended Mar-15 £	Year Ended Mar-14 £
Depreciation	**14**	14
Auditors' remuneration	**8,096**	5,500
Foreign exchange differences	**763**	751
Directors' remuneration	**-**	-

3. STAFF COSTS

	Period Ended Mar-15 £	Year Ended Mar-14 £
Wages and salaries	**996,035**	733,702
Social security costs	**32,887**	34,084
Other pension costs	**167**	-
	1,029,089	767,786

The average monthly number of employees during the year was as follows:

	Period Ended Mar-15	Year Ended Mar-14
Administrative	**1**	1
Direct costs	**33**	26
	34	27

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Period Ended Mar-15 £	Year Ended Mar-14 £
Current tax:		
UK corporation tax	**156,044**	83,289
Previous year tax	**-**	-
Tax on profit on ordinary activities	**156,044**	83,289

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period Ended Mar-15 £	Year Ended Mar-14 £
Profit on ordinary activities before tax	**741,290**	360,932
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	**155,671**	83,014
Effects of:		
Non deductible expenses	**805**	852
Depreciation add back	**3**	3
Capital allowances	**(435)**	(580)
Tax Adjustment		
Current tax charge	**156,044**	83,289

5. TANGIBLE FIXED ASSETS

	Computer Software	Computer equipment	Total
		£	£
COST			
At 1 April 2014	18,958	34,634	53,592
and 31st March 2015	**18,958**	**34,634**	**53,592**
DEPRECIATION			
At 1 April 2014	18,958	34,620	53,578
Disposal		-	-
Charge for year		14	14
At 31st March 2015	**18,958**	**34,634**	**53,592**
NET BOOK VALUE			
At 31st March 2015	**-**	**-**	**-**
At 31st March 2014	-	14	14

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings
	£
COST	9,230
Additions	692,004
At 31st March 2015	**701,234**
NET BOOK VALUE	
At 31st March 2015	**701,234**
At 31 March 2014	9,230

The company has invested €11,000 (15.71% of the Share capital) in Mahindra Engineering GmbH,a company incorporated in Germany. By virtue of Court Order dated 29.07.2014, Mahindra Engineering Services(Europe) Limited has become shareholding of 11,000 €.

It was resolved in Extraordinary Shareholders´ meeting of Mahindra Engineering GmbH dated 29.07.2014 that “Mahindra Engineering Services (Europe) Limited, UK shall assign its Repayment Claim in the amount of GBP 692,004 by way of contribution to the Company. This contribution shall be regarded as additional contribution in the equity and shall be shown in the Financial Statements as Capital Reserve in Mahindra Engineering GmbH in accordance with Section 272 Sub-section 2 Clause 4 of German Commercial Code (HGB)”.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Period Ended	Year Ended
	Mar-15	Mar-14
	£	£
Trade debtors	**1,011,568**	686,006
Other debtors	**4,220**	9,226
	1,015,788	695,232

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Period Ended Mar-15 £	Year Ended Mar-14 £
Amounts owed to group undertakings	**112,330**	369,702
Provision for Tax	**40,544**	168
Social security and other taxes	**7,721**	7,831
VAT	**174,139**	129,725
Trade Creditors	**1,320**	-
Other Creditors	**60**	-
Accrued expenses	**236,461**	149,264
	572,575	656,690

9. CALLED UP SHARE CAPITAL

Authorised: Number:	Class	Nominal value	Period Ended Mar-15 £	Year Ended Mar-14 £
1,000,000	Ordinary	£ 1	**1,000,000**	1,000,000

Allotted, issued and fully paid: Number:	Class	Nominal value	2,015 £	2,014 £
65,000	Ordinary	£ 1	**65,000**	65,000

10. ULTIMATE PARENT COMPANY

Mahindra Engineering Services Limited, the parent company has merged with Tech Mahindra Limited during the year vide order of Mumbai High Court dated 31st Oct,2014. Consequently Mahindra Engineering Services (Europe) Limited is now a 100% subsidiary of Tech Mahindra Limited.

11. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

At the balance sheet date, the amount due to Tech Mahindra Limited amounted to £ 112,330 (PY 2014- £369,702).

At the balance sheet date, £ Nil (PY 2014 - £ 678,527) was owed by Mahindra Engineering GmbH, a fellow subsidiary undertaking incorporated in Germany.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Period Ended Mar-15 £	Year Ended Mar-14 £
Profit for the financial year	**585,246**	277,643
Net addition to shareholders' funds	**585,246**	277,643
Opening shareholders' funds	**1,735,992**	1,458,349
Closing shareholders' funds	**2,321,238**	1,735,992

Figures for the previous year have been regrouped / rearranged wherever necessary.

MAHINDRA ENGINEERING GmbH

Board of Directors

Mrs. Vijay Verma

Registered Office

Mahindra Engineering GmbH

Leonardo-da-Vinci-Allee 3

60486 Frankfurt am Main

Germany

Bankers

Commerz Bank AG

Auditors

A. K. Verma & Associates,

DIRECTORS' REPORT

To

The Members of Mahindra Engineering GmbH

Your Directors have pleasure in presenting their Fourteenth Annual Report on the business and operations of your Company and the Audited Financial Results for the period from April 01, 2014 to March 31, 2015

FINANCIAL RESULTS:

The financial results for the current year are for the period from 01.04.2014 to 31.03.2015 and those of the previous year are for the year from 01.04.2013 to 31.03.2014.

	For the period ended on	For the year ended on
	3/31/2015	3/31/2014
	€	€
Income from Operations	**269,431**	176,682
Profit / (Loss) before Depreciation and Tax	**(42,175)**	(43,747)
Less: Depreciation	**(112)**	(112)
Profit / (Loss) before Taxation	**(42,287)**	(43,859)
Less: Provision for Taxation	**0**	0
Profit / (Loss) after Taxation	**(42,287)**	(43,859)
Add: Adjustment pertaining to previous year	**0**	0
Profit / (Loss) after Prior period adjustment	**(42,287)**	(43,859)
Add : Balance as per last Balance Sheet	**(882,284)**	(838,425)
Balance carried forward to Balance Sheet	**(924,570)**	(882,284)

OPERATIONS AND FUTURE PROSPECTS:

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are software development and providing IT enabled service viz CAD, CAE, etc

2. NOTES ON OPERATIONS

During the year under review, the revenues have increased compared to previous year. The Company continues to make efforts and expects to see revenues picking up in the coming years.

3. ISSUE OF SHARES AND DEBENTURES

The Company's Authorised, Issued and Paid up Share Capital is 70,000 Euros divided into 70.000 Equity shares of 1,-- Euro each. No Debentures were issued during the financial year.

4. DIVIDENDS

No dividends have been paid or declared or recommended by the Company since the date of incorporation. The Directors of the Company do not recommend any dividends for the period due to inadequate profits.

5. BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that action has been taken in relation to the writing off and providing for bad and doubtful debts of the Company and have satisfied themselves that there were no known bad or doubtful debts. At the date of this report, the Directors of the Company are not aware of any circumstances which would render it necessary to write off or provide for any bad and doubtful debts.

6. CURRENT ASSETS

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that any current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values and that adequate provisions have been made for the diminution in value of such current assets. At the date of this report, the Directors of the Company are not aware of any circumstances which would render the values attributable to current assets in the financial statements of the Company misleading.

7. CHARGES AND CONTINGENT LIABILITIES

At the date of this report:-

a) There does not exist any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person.

b) There does not exist any contingent liability of the Company, which has arisen since the end of the financial period.

8. OTHER CIRCUMSTANCES AFFECTING THE FINANCIAL STATEMENTS

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt within this report or the financial statements, which would render any amount stated in the financial statements of the Company misleading.

9. UNUSUAL ITEMS

In the opinion of the Directors, the results of the operations of the Company have not been substantially affected by any item, transaction or event of a material and unusual nature during the financial period.

10. UNUSUAL ITEMS AFTER THE YEAR END DATE

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which would affect substantially the results of the operations of the Company for the financial period for which this report is made.

11. AUDITORS

M/s A K Verma & Associates, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors of the Company hereby state and confirm:

(i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for the year;

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(iv) that the Directors have prepared the annual accounts on a 'going concern' basis.

ACKNOWLEDGEMENTS:

Your Directors would like to thank Investors, Financial Institutions, Banks, Government authorities, our esteemed Corporate clients and Customers. The service and co-operation of employees, business/alliance partners and technology partners are also earnestly appreciated. Finally your Directors would like to take this opportunity to express their gratitude to one and all for the whole hearted support which has always been a source of inspiration to move towards success, to scale greater heights and achieve higher targets.

Place : Frankfurt am Main	Mrs. Vijay Verma
Date : 15.04.2015	Director

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

1. We have audited the accompanying financial statements of Mahindra Engineering GmbH ("the Company") which comprise the balance sheet as at 31st March, 2015 and the Statements of Profit and Loss and Cash Flow of the Company for the period from 1st April 2014 to 31st March 2015 and a summary of significant accounting policies and other explanatory information.

Management´s Responsibility for the Financial Statements

2. The Company´s Mangement is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor´s Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor´s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company´s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity´s internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in confirmity with the accounting principles generally accepted:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;

   (b) in the case of the Statement of Profit and Loss, of the profit for the period from 1st April 2014 to 31st March 2015; and

   (c) in the case of Cash Flow Statement, of the cash flows for the period from 1st April 2014 to 31st March 2015.

For A. K. Verma & Associates
Chartered Accountants
Firm´s Registration Number 013096N

Ashok Kumar Verma
Partner
(Membership No. 082084)
Place: Frankfurt am Main
Date: 15th April, 2015

BALANCE SHEET AS AT 31 MARCH 2015

Particulars	Schedule	As at 31st March, 2015 €	As at 31st March, 2014 €
SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS:			
a. Share Capital	"1"	**70,000**	59,000
b. Reserves and Surplus	"2"	**874,577**	0
Share Application Money		**0**	11,000
2. LOAN FUNDS			
a. Secured Loans		**0**	0
b. Unsecured Loans		**0**	820,328
Total Sources of Funds		**944,577**	890,328
APPLICATION OF FUNDS			
1. FIXED ASSETS	"7"		
Gross Block		**561**	561
Less Depreciation		**449**	337
		112	224
2. INVESTMENTS		**0**	0
3. CURRENT ASSETS, LOANS AND ADVANCES	"3"		
a. Sundry Debtors		**90,388**	40,811
b. Cash and Bank Balances		**52,601**	23,883
c. Loans and Advances		**5,966**	24
Less:		**148,954**	64,717
CURRENT LIABILITIES AND PROVISIONS:	"4"		
a. Current Liabilities		**96,595**	25,695
b. Provisions		**32,465**	31,202
		129,060	56,897
Net Current Assets		**19,894**	7,820
4. MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED			
a. Preliminary Expenses		**0**	0
b. Profit & Loss Account		**924,570**	882,284
Total Application of Funds		**944,577**	890,328
Significant Accounting Policies	"8"		
Notes forming Part of Accounts	"9"		

SCHEDULES 1 TO 9 FORM AN INTEGRAL PART OF THE ACCOUNTS.
This is the Balance Sheet referred to in our Report of even date attached.

For A. K. Verma & Associates,

Chartered Accountants

Ashok K. Verma

Partner (Membership No. 082084)

Place: Frankfurt am Main

Date: 15th April, 2015

Mrs. Vijay Verma

Director

INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL 2014 TO 31 MARCH 2015

Particulars	Schedule	**For the period ended 31st March, 2015 €**	For the period ended 31st March, 2014 €
INCOME			
Income from Services rendered		**269,431**	176,682
Interest Income		**0**	0
Total Income		**269,431**	176,682
EXPENDITURE			
Employment Expenses	"5"	**152,366**	119,603
Administration and Other Expenses	"6"	**144,948**	61,637
Depreciation	"7"	**112**	112
Interest Expense		**14,292**	39,189
Total Expenditure		**311,718**	220,541
Profit / (Loss) for the Year		**(42,287)**	(43,859)
Less: Provision for Tax		**0**	0
Profit / (Loss) after Tax		**(42,287)**	(43,859)
Add: Adjustment pertaining to previous year		**0**	0
Profit / (Loss) after Prior period adjustment		**(42,287)**	(43,859)
Add: Balance as per last Balance Sheet		**(882,284)**	(838,425)
Balance carried to Balance Sheet		**(924,570)**	(882,284)
Significant Accounting Policies	"8"		
Notes forming Part of Accounts	"9"		

SCHEDULES 1 TO 9 FORM AN INTEGRAL PART OF THE ACCOUNTS.
This is the Balance Sheet referred to in our Report of even date attached.

For A. K. Verma & Associates,

Chartered Accountants

Firm's Registration Number: 013096N

Ashok Kumar Verma
Partner (Membership No. 082084)

Mrs. Vijay Verma
Director

Place: Frankfurt am Main

Date: 15th April, 2015

SCHEDULES TO BALANCE SHEET

	As at 31st March, 2015 €	As at 31st March, 2014 €
Schedule "1"		
AUTHORISED SHARE CAPITAL		
70.000 (Previous year: 59.000) Equity Shares of 1,- € each	**70,000**	59,000
	70,000	59,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
70.000 (Previous year: 59.000) Equity Shares of 1/-- € each fully paid	**70,000**	59,000
(59.000 shares are held by the Parent Company -Tech Mahindra Limited, India)		
	70,000	59,000
Schedule "2"		
RESERVES AND SURPLUS		
Profit and Loss Account:		
Balance as per last Balance Sheet	**(882,284)**	(838,425)
Less: Carried to profit & loss Account	**882,284**	838,425
Balance carried to Balance Sheet	**0**	0
Capital Reserve:		
Capital Reserve under Sec. §272(2)(4) HGB	**874,577**	0
	874,577	0

	As at 31st March, 2015 €	As at 31st March, 2014 €
Schedule "3"		
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors (Unsecured - Considered Good)		
Outstanding for a period exceeding six months	**--**	--
Others	**90,388**	40,811
	90,388	40,811
Cash and Bank Balances:		
In Current Account with Commerz Bank AG, Frankfurt		
(Maximum balance at any time during the year 71.841,19 € Previous Year 41,725 €)	**52,601**	23,883
Total	**52,601**	23,883
Loans & Advances (Unsecured -Considered Good)		
Advances recoverable in cash or in kind or for value to be received:		
Advance Tax	**2**	24
VAT deposit	**5,964**	0
Employee Advance	**0**	0
	5,966	24

Schedule "4"

	As at 31st March, 2015 €	As at 31st March, 2014 €
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors	**72,843**	11,109
Interest Accrued but not due	**0**	2,620
Salary Payable	**3,365**	0
Social Security Payable	**0**	0
Wage Tax Payable	**1,049**	1,687
VAT Payable	**19,339**	10,278
	96,595	25,695
Provisions		
Provision for Expenses	**32,465**	31,202
	32,465	31,202
	129,060	56,897

	For the period ended 31st March, 2015 €	For the year ended 31st March, 2014 €
Schedule "5"		
EMPLOYMENT EXPENSES:		
Salary and Other Allowances	**130,932**	102,161
Contribution to German Social Security	**21,434**	17,442
	152,366	119,603
Schedule "6"		
ADMINISTRATIVE AND OTHER EXPENSES		
Accounting and Consultancy Fees	**17,258**	17,923
Audit Fees	**4,000**	2,704
Bank Charges	**565**	511
Membership and Subscription	**80**	0
Postage & Courier	**176**	216
Misc. Expenses	**1,347**	254
Marketing & other allied services	**83,913**	24,161
Telephone Expenses	**272**	272
Assets written off	**0**	3
Exchange Loss on restatement	**37,337**	15,593
	144,948	61,637

Schedule "7"

FIXED ASSETS

	GROSS BLOCK			**DEPRECIATION**				**NET BLOCK**	
Particulars	01.04.2014	Additions/ (Reductions)	31.03.2015	01.04.2014	Provided during the Year	Deletion	31.03.2015	31.03.2015	31.03.2014
	€	€	€	€	€	€	€	€	€
Small value composite items	561	0	561	337	112	0	449	112	224
Total	**561**	**0**	**561**	**337**	**112**	**0**	**449**	**112**	**224**
Previous Year	**83,982**	**-83,421**	**561**	**83,642**	**112**	**-83,418**	**337**	**224**	**340**

SIGNIFICANT ACCOUNTING POLICIES

SCHEDULE "8"

1. **Accounting Convention and Concepts:**
The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in Germany under the historical cost convention as a going concern and on accrual basis. Adequate provision is made for all known losses and liabilities.

2. **Revenue Recognition:**
The Company follows the accrual method of accounting for its income and expenditure. In respect of service activity, income is accounted for as and when the services are rendered.

   a. Revenue from income on Software Engineering Services in cases where services are rendered on a Time and Material basis, is recognised as and when the services are performed.
   b. In cases of fixed price engagements, revenue is recognized using the proportionate completion method of accounting based on services performed in advance of billing in accordance with contract terms.
   c. Unbilled revenue represents the amounts recognized, based on the services performed in advance of billing in accordance with contract terms

3. **Fixed Assets:**
Fixed assets are valued at cost less accumulated depreciation. Cost includes all expenses incurred for acquisition of assets.

4. **Depreciation:**
The Company computes depreciation of all tangible fixed assets including for assets taken on lease using the straight line method based on estimated useful life. Depreciation is charged on a pro rata basis for assets purchased or sold during the period. Management's estimate of the useful life of tangible and intangible assets is as follows:

Computers	3 years
Plant and Equipment	3 to 5 years
Furniture and Fixtures	5 years
Vehicles	5 years
Office Equipments	5 years

   The cost of software purchased for internal use is capitalized and depreciated in full in the month in which it is put to use.

   Project specific intangible assets are amortised over their estimated useful lives on a straight line basis or over the period of the license, whichever is lower.

5. **Foreign Currency Transactions:**
   i) Value of Fixed Assets is converted at the rate prevailing on the date of remittance and acquisition.
   ii) Monetary items denominated in foreign currency at the year-end are translated at the year end rates. Gain/loss on conversion is charged to Profit and Loss account.
   iii) Transactions done during the year are converted at the rate prevailing on the date of transaction.

SCHEDULE "9"

1) By virtue of Court Order dated 29.07.2014, Mahindra Engineering Services (Europe) Limited, UK has a shareholding of 11,000 € (15.71% of the total paid-up capital) in the company. The increase in share capital was accounted for in books of account during the quarter ended 30.9.2014.

2) It was resolved in Extraordinary Shareholders´ meeting dated 29.07.2014 that "Mahindra Engineering Services (Europe) Limited, UK shall assign its Repayment Claim in the amount of 874,577 € (GBP 692,004) by way of contribution to the Company. This contribution shall be regarded as additional contribution in the equity and shall be shown in the Financial Statements as Capital Reserve in accordance with Section 272 Sub-section 2 Clause 4 of German Commercial Code (HGB)".

3) Estimated amount of contracts remaining to be executed on capital account and not provided for: Nil (Previous year - Nil)

4) Contingent Liabilities in respect of :

   Claims against the Company not acknowledged as debts: Nil (Previous year - Nil)

5) Remuneration to Whole time Directors (incl. Managing Director): 23.103,96 € (Previous year 23.000 €)

6) Details of Expenditure in Foreign Currency
   i) CIF Value of Imports -Nil (Previous year Nil)
   ii) Expenditure in Foreign Currency: 66.293,51 € Previous Year 16.432 €
   iii) Earnings in Foreign Exchange:

   Income from Software Development, Technical Services and Royalties Nil (Previous year Nil)

7) Related Party Disclosure:

   Mahindra Engineering Services Limited, the parent company has merged with Tech Mahindra Limited during the year vide order of Mumbai High Court dated 31st Oct, 2014. Consequently Mahindra Engineering GmbH is now a 100% subsidiary of Tech Mahindra Limited

Party	Relationship
Tech Mahindra Ltd	Holding Company
Mahindra Engineering Services(Europe) Ltd	Group Company/ Shareholder
Vijay Verma	Managing Director

8) Transactions with Related Party:

Nature of Transaction	
Services Received	Tech Mahindra Limited 78,329 € (Previous year 16,432 €)
Interest on Loan	Mahindra Engineering Services (Europe) Ltd. UK 14,291.51 € (Previous year 39,189 €)
Balance Payable	Tech Mahindra Limited 55.011,78 € (Previous year 4,044 €)

9) The information disclosed in EUR in these financial statements for the year ended on 31.03.2015 and year ended on 31.03.2014 is extracted from German books of account locally maintained under German Commercial Code (HGB).

10) Figures for the previous year have been regrouped/rearranged wherever necessary.

For **A. K. Verma & Associates**
Chartered Accountants
Firm´s Registration Number 013096N

Ashok Kumar Verma
Partner
(Membership No. 082084)
Place : Frankfurt am Main
Date : 15th April, 2015

Mrs. Vijay Verma
(Director)

CASH FLOW STATEMENT FOR THE PERIOD FROM 1ST APRIL 2014 TO 31ST MARCH 2015

	Particulars	€ 31st March, 2015	€ 31st March, 2014
A	**CASH FLOW OPERATING ACTIVITIES**		
	Net Profit before taxation	**-42,287**	-43,859
	Adjustments:		
	Depreciation	**112**	112
	Assets written off	**0**	3
	Interest, Commitment and Finance charges	**14,292**	39,189
	Unrealised Forex loss	**37,337**	15,593
	Operating profit before working capital changes	**9,453**	11,038
	Changes in		
	Trade and other receivables	**-55,519**	-13,151
	Trade and other payable	**74,784**	-5,513
	Cash generated from operations	**28,718**	-7,626
	Income taxes paid (net of refunds)	**0**	0
	NET CASH FROM / (USED IN) OPERATING ACTIVITIES	**28,718**	-7,626
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets	**0**	0
	Interest received	**0**	0
	NET CASH USED IN INVESTING ACTIVITIES	**0**	0
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from the issue of share capital	**0**	11,000
	NET CASH (USED IN) / FROM FINANCING ACTIVITIES	**0**	11,000
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**28,718**	3,374
	CASH AND CASH EQUIVALENTS :		
	Opening Balance	**23,883**	20,509
	Closing Balance	**52,601**	23,883

LIGHTBRIDGE COMMUNICATIONS CORPORATION

Board of Directors

Mr. Ashish Tikhe

Mr. Manish Vyas

Registered Office

C/o. CT Corporation

1209 North Orange Street

Wilmington Delaware

USA, 19801

Bankers

Citi Bank

J P Morgan

Auditors

Grant Thornton LLP

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors

Lightbridge Communications Corporation and Subsidiaries

We have audited the accompanying consolidated financial statements of Lightbridge Communications Corporation (a Delaware corporation) and Subsidiaries which comprise the consolidated balance sheets as of March 31, 2015 and December 31, 2014 and the related consolidated statements of operations, comprehensive (loss) income, changes in shareholders' equity, and cash flows for the three months ended March 31, 2015 and the year ended December 31, 2014 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of LCC Acquisition Holdings BV (Leadcom Group), a wholly-owned subsidiary, which was formed on April 28, 2014 to acquire the operations of Leadcom Integrated Solutions Ltd., which was completed on July 1, 2014, which statements reflect total assets constituting 38.5% and 36.4% of consolidated total assets as of March 31, 2015 and December 31, 2014, respectively, and total revenues of 28.0% and 17.7% of consolidated total revenues for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Leadcom Group, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lightbridge Communications Corporation and Subsidiaries as of March 31, 2015 and December 31, 2014, and the results of their operations and their cash flows for the three months ended March 31, 2015 and year ended December 31, 2014 in accordance with accounting principles generally accepted in the United States of America.

McLean,
Virginia

April 30, 2015

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	March 31, 2015	December 31, 2014
	$	$
Assets		
Current Assets		
Cash and cash equivalents	**18,679**	16,205
Restricted cash	**3,896**	4,018
Receivables, net of allowance for doubtful accounts of $619 and $760	**64,654**	81,091
Unbilled receivables, net	**80,028**	67,562
Prepaid expenses and other current assets	**18,718**	18,026
Assets of discontinued operations	**—**	750
Total current assets	**185,976**	187,652
Other Assets		
Property and equipment, net	**20,612**	20,507
Goodwill	**3,443**	3,443
Other intangibles, net	**34,961**	36,464
Investments in affiliates	**3,677**	3,182
Other assets	**975**	1,007
Total Assets	**249,642**	252,255
Liabilities and Shareholders' Equity		
Current Liabilities		
Lines of credit	**92,935**	35,962
Note payable	**906**	2,323
Accounts payable	**35,084**	33,710
Accrued expenses	**21,965**	23,644
Accrued employee compensation and benefits	**13,782**	20,277
Deferred revenue	**6,020**	5,776
Income taxes payable	**6,748**	5,430
Accrued restructuring current	**214**	208
Deferred tax liabilities	**1,366**	1,749
Consideration payable for Leadcom Group acquisition	**6,679**	7,197
Other current liabilities	**1,927**	2,651
Total current liabilities	**187,626**	138,927
Notes payable, net of current portion	**658**	43,065
Consideration payable for Leadcom Group acquisition	**2,439**	3,633
Accrued restructuring noncurrent	**353**	366
Deferred tax liabilities	**3,057**	4,624
Other liabilities	**6,550**	6,748

	March 31, 2015	December 31, 2014
	$	$
Total Liabilities	**200,683**	197,363
Commitments and Contingencies		
Shareholders' Equity		
Class A common stock; $.0001 par value:		
30,000,000 shares authorized at March 31, 2015 and December 31, 2014, respectively;		
25,312,965 issued and outstanding at March 31, 2015 and December 31, 2014, respectively	**3**	3
Paid-in capital	**265,234**	250,201
Accumulated deficit	**(225,875)**	(203,990)
Accumulated other comprehensive income – foreign currency translation adjustments	**9,719**	8,813
Noncontrolling Interest	**(122)**	(135)
Total Shareholders' Equity	**48,959**	54,892
Total Liabilities and Shareholders' Equity	**249,642**	252,255

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS (IN THOUSANDS)

	For the three months ended March 31, 2015	For the year ended December 31, 2014
	$	$
Revenues	**98,037**	376,814
Cost of Revenues	**79,603**	294,414
Gross Profit	**18,434**	82,400
Operating Expense		
Sales and marketing	**4,007**	13,347
General and administrative	**11,787**	42,431
Tech Mahindra acquisition related expenses	**15,071**	617
Restructuring charge	**2**	392
Depreciation and amortization	**3,680**	15,095
	34,547	71,882
Income from Continuing Operations before Other Income (Expense) and Income Taxes	**(16,113)**	10,518
Other Income (Expense)		
Interest income	**1,048**	148
Interest expense	**(1,742)**	(8,034)
Tech Mahindra acquisition - other expenses	**(737)**	(500)
Gain on bargain purchase	**—**	15,181
Other	**(3,126)**	(3,335)
	(4,557)	3,460
(Loss) Income from Continuing Operations before Income Taxes	**(20,670)**	13,978
Provision for Income Taxes	**1,202**	4,295
Net (Loss) Income from Continuing Operations	**(21,872)**	9,683
Discontinued Operations		
Loss from discontinued operations, net of tax of $0 and $0, respectively	**—**	(5,781)
Net (Loss) Income	**(21,872)**	3,902
Net Income (Loss) attributable to Noncontrolling Interest	**13**	(135)
Net (Loss) Income attributable to Lightbridge Communications Corporation	**(21,885)**	4,037

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (IN THOUSANDS)

	For the three months ended March 31, 2015	For the year ended December 31, 2014
	$	$
Net (Loss) Income	**(21,872)**	3,902
Other comprehensive income:		
Change in foreign currency translation	**906**	92
Comprehensive (Loss) Income	**(20,966)**	3,994

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (IN THOUSANDS)

	For the three months ended March 31, 2015	For the year ended December 31, 2014
	$	$
Cash Flows from Operating Activities		
Net (Loss) Income	**(21,872)**	3,902
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization	**3,681**	15,095
Deferred income taxes	**(1,289)**	(1,215)
Provision for doubtful accounts	**68**	77
Share-based compensation	**1,002**	20
(Gain) loss from investments in joint venture	**(23)**	5,781
Restructuring charge	**2**	392
Loss (gain) on disposal of fixed assets	**26**	(8)
Bargain purchase gain recognized for Leadcom Group acquisition	**—**	(15,181)
Changes in operating assets and liabilities:		
Restricted cash	**122**	(1,742)
Trade, unbilled, and other receivables	**(1,487)**	(18,345)
Accounts payable and accrued expenses	**(1,660)**	8,118
Other current assets and liabilities	**(531)**	3,208
Other noncurrent assets and liabilities	**3,458**	2,924
Net Cash (Used in) Provided by Operating Activities	**(18,503)**	3,026
Cash Flows from Investing Activities		
Purchases of property and equipment	**(3,286)**	(12,334)
Acquisition of Leadcom Group, net of cash acquired	**(1,591)**	(19,928)
Short term bank deposits	**4**	(58)
Investments in affiliates and joint venture	**(483)**	(1,027)
Net Cash Used in Investing Activities	**(5,356)**	(33,347)
Cash Flows from Financing Activities		
Proceeds from issuance of common stock	**—**	32,846
Tech Mahindra acquisition related expenses paid by shareholders	**14,744**	—
Net borrowings on lines of credit	**58,530**	3,018
Issuance of notes payable	**210**	5,523
Payments on notes payable	**(46,774)**	(1,183)
Net Cash Provided by Financing Activities	**26,710**	40,204
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**(377)**	(722)

	For the three months ended March 31, 2015	For the year ended December 31, 2014
	$	$
Net Increase in Cash and Cash Equivalents	**2,474**	9,161
Cash and Cash Equivalents, beginning of the period	**16,205**	7,044
Cash and Cash Equivalents, end of period	**18,679**	16,205
Supplemental Disclosures:		
Cash Paid During Period for:		
Interest	**2,187**	2,691
Income taxes	**4,052**	2,870
Supplemental Disclosures of Non-Cash Investing and Financing Activities		
Shareholder Notes and accrued liabilities converted into common shares:	**—**	13,085
Consideration payable for Leadcom Group acquisition	**—**	8,838
Earn-out liability associated with investment in Algeria	**—**	1,780
Fixed asset additions under capital lease:	**253**	2,257

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY (IN THOUSANDS)

For the three months ended March 31, 2015 and year ended December 31, 2014

	Common Stock	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non controlling Interest	Total
	$	$	$	$	$	$
Balances at January 1, 2014	2	204,254	(208,118)	8,721	(3,182)	1,677
Share-based compensation	—	20	—	—	—	20
Issuance of shares	1	33,854	—	—	—	33,855
Conversion of debt	—	13,085	—	—	—	13,085
Purchase of minority interest in subsidiary	—	(1,012)	—	—	—	(1,012)
De consolidation of joint venture	—	—	91	—	3,182	3,273
Comprehensive income (loss):						
Other comprehensive loss – foreign currency translation adjustments	—	—	—	92	—	92
Net income (loss)	—	—	4,037	—	(135)	3,902
Balances at December 31, 2014	3	250,201	(203,990)	8,813	(135)	54,892
Share-based compensation	—	1,002	—	—	—	1,002
Tech Mahindra Acquisition related expenses paid by shareholders	—	14,031	—	—	—	14,031
Comprehensive income (loss):						
Other comprehensive loss – foreign currency translation adjustments	—	—	—	906	—	906
Net income (loss)	—	—	(21,885)	—	13	(21,872)
Balances at March 31, 2015	**3**	**265,234**	**(225,875)**	**9,719**	**(122)**	**48,959**

The accompanying notes are an integral part of these financial statements.

NOTE 1 - DESCRIPTION OF OPERATIONS AND BASIS OF PRESENTATION

Lightbridge Communications Corporation ("LCC"), a Delaware corporation, was formed in March 2010 and is headquartered in Vienna, Virginia. Unless the context indicates otherwise, the term "Company" refers herein to LCC and its subsidiaries.

In January 2015, Tech Mahindra (Americas), Inc. a wholly-owned subsidiary of Tech Mahindra Limited ("Tech Mahindra") purchased all of the Company's outstanding common stock for a purchase price of $171.7 million (the "Tech Mahindra Acquisition"). In connection with the Tech Mahindra Acquisition, the Company issued a $ 45.0 million unsecured promissory note to Tech Mahindra (Americas), Inc. ("Tech Mahindra Note"), the proceeds of which were used to repay in full the $ 43.1 million principal and interest outstanding on the Company's existing Shareholders' Notes with the former owners (See Note 8 Borrowings). The consolidated financial statements do not reflect any purchase price adjustments to the historical carrying values of the Company's assets and liabilities as the purchase price allocation was applied at Tech Mahindra (Americas), Inc.

In connection with the Tech Mahindra Acquisition, all of the Company's employees holding SARs surrendered them in exchange for a payment by the Company of $1.1 million.

Transaction costs related to the Tech Mahindra Acquisition of $ 16.9 million, including fees for investment banking and legal services and transaction bonuses for executive management and directors, were paid by Tech Mahindra on behalf of the Company's shareholders. Transaction costs of $1.1 million and $ 15.8 million were expensed by the Company during the year ended December 31, 2014 and the three months ended March 31, 2015, respectively.

LCC conducts business through its direct and indirect wholly-owned subsidiaries that provide services in North America, Europe, Middle East and Africa, Latin America, and Asia.

The Company provides integrated end-to-end solutions for wireless voice and data communications networks with offerings ranging from high level technical consulting, to system design and optimization services, ongoing operations and maintenance services, and deployment services. The Company has been successful in using initial opportunities to provide high-level technical consulting services to secure later-stage system design and network optimization contracts. Engagements to provide design services also create opportunities for the Company to propose on operations and maintenance projects including network optimization contracts as well as other services. The Company's technical consulting, system design and network optimization practices position it well to capitalize on additional opportunities as new technologies are developed and wireless service providers upgrade their existing networks, deploy the latest available technologies, and respond to changes in how customers use wireless services.

The accompanying consolidated financial statements include the results of LCC and its direct and indirect wholly-owned subsidiaries. All material intercompany transactions and balances have been eliminated in the consolidated financial statements. Investments in entities in which the Company does not have majority ownership have been accounted for using the equity method of accounting.

During 2013, the Company decided to market and sell its fiber network operations and related investments in the northeastern United States. Accordingly, the consolidated financial statements and the related disclosures reflect these components as discontinued operations, and their assets and liabilities have been classified as assets and liabilities of discontinued operations for all periods presented. The assets were sold during the three months ended March 31, 2015. See Note 4 *Discontinued Operations.*

Liquidity

As of March 31, 2015, the Company had an accumulated deficit of approximately $ 225.9 million, incurred a net loss of approximately $ 21.9 million and cash outflows from operations of approximately $18.5 million for the three months ended March 31, 2015. As of March 31, 2015, the Company has approximately $ 93.5 million of short-term borrowings, the most significant of which are a $ 50.0 million line-of-credit facility scheduled to mature in March 2016 and borrowings of $ 26.0 million on a line-of-credit facility scheduled to mature in February 2016. See Note 8 Borrowings. Management has prepared projections and believes that cash flows from operations, existing cash on hand, available cash under existing new credit facilities, plus availability of cash, if needed, from Tech Mahindra will be adequate to fund the Company's cash requirements for the foreseeable future.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Significant accounting policies are as follows:

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things, revenue recognition on contracts, allowance for doubtful accounts, accrual of income taxes, recoverability of investments in affiliates, goodwill and other intangible assets, share-based compensation, and the accrual of restructuring charges. Actual results could differ from these estimates.

Reclassifications

Certain amounts from the 2014 statement of operations have been reclassified in order to conform to the current year presentation.

Cash Equivalents and Restricted Cash

Cash equivalents include all highly liquid investments purchased with original maturities of three months or less and include overnight repurchase agreements, short-term notes, and short-term money market funds. The Company places its cash and cash equivalents with high-quality financial institutions.

At March 31, 2015 and December 31, 2014, the Company had \$12.7 million and \$14.8 million of cash in foreign bank accounts, respectively. Restricted cash is comprised primarily of cash serving as collateral for a guarantee issued to Saudi tax authorities subject to the conclusion of an income tax appeal process as well as performance and bid bonds in the Europe Middle East and Africa (“EMEA”) region.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of trade receivables, cash and restricted cash. The Company sells services globally. Generally, the Company does not require collateral or other security to support customer receivables. The Company performs ongoing credit evaluations of its customers’ financial condition and maintains an allowance for doubtful accounts related to potential credit losses. The Company had the following significant concentrations of trade receivables from customers located outside the United States at March 31, 2015 and December 31, 2014:

	March 31, 2015	December 31, 2014
	($ In thousands)	
Europe	**26,599**	33,030
Middle East/Africa	**20,529**	21,328
Other	**6,201**	5,546

The Company’s existing and potential customer base is diverse and includes domestic and foreign telecommunications carriers, equipment manufacturers and foreign enterprises. The Company derived approximately 70% and 64% of its revenues from ten customers for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively. The Company derived approximately 57% and 52% of its accounts receivable from ten customers as of March 31, 2015 and December 31, 2014, respectively. Individually, one of these top ten customers comprised more than 10% of the Company’s revenue for an aggregate total of 20% and 19% during the three months ended March 31, 2015 and the year ended December 31, 2014, respectively. Individually, one of these top ten customers comprised more than 10% of the Company’s net receivable balance for a total of 21% and 12% as of March 31, 2015 and December 31, 2014, respectively.

At times, the Company maintains cash balances in financial institutions, which may exceed federally insured limits. The Company has not experienced any losses in its accounts and believes it is not exposed to a significant credit risk on its cash and cash equivalents.

Although the Company believes that the diversity of its customer base may minimize the risk of incurring material losses due to concentrations of credit risk, the Company may be exposed to a declining customer base in periods of market downturns, severe competition, exchange rate fluctuations or other international developments.

Fair Value Measurements

The carrying amounts reported in the consolidated balance sheet for cash and cash equivalents, accounts receivable, accounts payable and accrued expenses and certain other current liabilities approximate fair value due to the immediate to short-term maturity of these financial instruments. See Note 15 *Fair Value Measurements* for the fair value of borrowings.

The Company follows the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, for financial assets and liabilities measured on a recurring basis. ASC 820 applies to all financial assets and financial liabilities that are being measured and reported on a fair value basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches, including market, income and/or cost approaches. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. Financial assets and liabilities which are recorded at fair value in the accompanying financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. The levels are directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, and are as follows:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 – Unobservable inputs that reflect the reporting entity's own assumptions.

Property and Equipment

Property and equipment are stated at cost, less an allowance for depreciation and amortization. Replacements and major improvements are capitalized; maintenance and repairs are charged to expense as incurred. Internally developed software costs are capitalized in accordance with ASC 350-40, *Internal-Use Software.*

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets per the table below. Accelerated methods are utilized for income tax purposes.

Computer & electronics	3 years
Software	3 years
Machinery & equipment	3 to 7 years
Furniture and office equipment	3 to 15 years
Office building	20 years
Leasehold improvements	Shorter of the term of the lease or estimated useful life
Vehicles	3 to 5 years

Impairment of Long-Lived Assets

The Company's policy is to review its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with ASC 350, *Intangibles - Goodwill and Other* (ASC 350). The Company recognizes an impairment loss when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. The measurement of the impairment losses to be recognized is based upon the difference between the fair value and the carrying amount of the assets.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets acquired in a business combination and determined to have an indefinite useful life are not amortized, but instead tested for impairment at least annually in accordance with the provisions of ASC 350. ASC 350 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment. Goodwill represents the excess of cost over the fair value of identifiable net assets acquired. The Company tests goodwill for impairment on an annual basis as of October 1. In addition, goodwill and other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

ASC 350 permits an entity to first assess qualitative factors to determine whether it is necessary to perform quantitative impairment tests for goodwill and indefinite-lived intangibles, respectively. If an entity believes, as a result of each qualitative assessment, it is more likely than not that goodwill or an indefinite-lived intangible asset is not impaired, a quantitative impairment test is not required.

The goodwill and indefinite-lived intangibles impairment test consists of a two-step process, if necessary. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill and indefinite-lived intangibles impairment test. The more likely than not threshold is defined as having a likelihood of more than 50 percent. This evaluation includes macroeconomic and industry and market specific considerations, financial performance indicators and measurements, and other factors. If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary, and goodwill and other indefinite-lived intangible assets are considered to be unimpaired. However, if based on the Company's qualitative assessment, it concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company will proceed with performing the two-step process. The Company performed a qualitative assessment as of October 1, 2014 and concluded that it was more likely than not that goodwill and indefinite-lived intangible assets were not impaired.

The first step of the impairment test involves comparing the fair value of the reporting unit to its net book value, including goodwill. If the net book value exceeds its fair value, then the Company would perform the second step of the goodwill impairment test to determine the amount of the impairment loss. The impairment loss would be calculated by comparing the implied fair value of the Company to its net book value. In calculating the implied fair value of the Company's goodwill, the fair value of the Company would be allocated to all of the other assets and liabilities based on their fair values. The excess of the fair value of the Company over the amount assigned to its other assets and liabilities is the implied fair value of goodwill. An impairment loss would be recognized when the carrying amount of goodwill exceeds its implied fair value. There have been no impairments of goodwill or indefinite-lived intangible assets recorded in the Company's consolidated statements of operations during the three months ended March 31, 2015 and the year ended December 31, 2014.

Allowance for Doubtful Accounts

Accounts receivable from customers are generally due within 60-90 days and are stated at amounts due from customers, net of an allowance for doubtful accounts. The Company makes estimates of the probability of collection of accounts receivable by specifically analyzing customer balances, concentrations, credit-worthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. Accounts receivable are written off when they become uncollectible.

Revenue Recognition

The Company's principal sources of revenues are derived from consulting, integration, operations and solutions. The Company recognizes revenues from fixed-price contracts using the percentage- of-completion method. Under the percentage-of-completion method, revenues are recognized based on the ratio of individual contract costs incurred to date on a project compared with total estimated contract costs. The Company compares costs incurred to date to progress achieved against project milestones to determine if the percentage of completion is reasonable. Anticipated contract losses are recognized as soon as they become known and estimable. The Company also recognizes revenues on time and materials contracts as the services are performed. Revenues earned but not yet billed are reflected as unbilled receivables in the accompanying consolidated balance sheets. The Company expects substantially all unbilled and billed receivables to be collected within one year. Amounts billed but not yet earned are reflected as deferred revenue in the accompanying consolidated balance sheets.

In deployment projects, the Company generally receives purchase orders for individual cell sites based on agreed upon fixed prices for types of standard cell sites. Non-standard services related to a cell site are priced on a variable basis using either agreed upon rates per hour or a rate schedule for such non-standard services. Deployment of cell sites may take up to several months and revenues and costs are recognized on a percentage of completion basis based upon the Company's engineering estimates.

Income Taxes

Income taxes are determined in accordance with ASC 740, Income Taxes. Under this guidance, temporary differences arise as a result of the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company recognizes the financial statement effect of an income tax position when it is more likely than not, based on technical merits, that the position will be sustained upon examination by a taxing authority. Recognized tax positions are initially and subsequently measured as the largest amount of tax benefit that is more likely than not of being realized upon ultimate settlement with the relevant taxing authority. The Company has chosen to treat interest and penalties related to uncertain tax liabilities as income tax expense and as an increase to the income tax liability. For the three months ended March 31, 2015 and the year ended December 31, 2014, the Company did not record any interest or penalties related to uncertain tax positions.

Certain of the Company's international operations are subject to local income taxation. Currently, the Company is subject to taxation on income from certain operations in Europe, Latin America, Africa, the Middle East and the non-U.S. portions of North America where the Company has subsidiaries, has established branch offices or has performed significant services that constitute a "permanent establishment" for tax reporting purposes. The foreign taxes paid or accrued by the Company may represent a potential credit for the Company against U.K. or U.S. federal income taxes.

In September 2013, the U.S. Internal Revenue Service ("IRS") issued new regulations for capitalizing and deducting costs incurred to acquire, produce, or improve tangible property. These new regulations are effective for taxable years beginning on or after January 1, 2014; however, they are considered enacted as of the date of issuance. As a result of the new regulations, the Company is required to review its existing accounting methods related to tangible property, and determine which, if any, income tax accounting method changes are required; whether the Company will file any income tax accounting method changes with its 2014 federal income tax return; and the potential financial statement impact. Because additional implementation guidance from the IRS is anticipated, the Company is in the process of reviewing its existing income tax accounting methods related to tangible property. Based on the Company's initial assessment, the new regulations will not have a material effect on the Company's consolidated financial statements.

Foreign Currency Translation

The Company's foreign operations are subject to exchange rate fluctuations and foreign currency transaction costs. The majority of the Company's foreign transactions are denominated in Euro and Saudi Riyals.

The financial statements of the Company's foreign subsidiaries have been translated into U.S. dollars in accordance with ASC 830-30, *Translation of Financial Statements.* For foreign operations with the local currency as the functional currency, assets and liabilities denominated in non-U.S. dollar functional currencies are translated using the period-end spot exchange rates. Revenues and expenses are translated at monthly-average exchange rates. Capital accounts are translated at historical exchange rates. The current period effects of translating operations with a functional currency other than the reporting currency are reported within the statements of comprehensive loss with accumulated effects presented as a component of accumulated other comprehensive (loss) income within the consolidated statements of changes in shareholders' equity. The determination of functional currency is based on the subsidiary's relative financial and operational independence from the Company's US based parent.

The Company is also subject to foreign currency transaction gains or losses due to inter-company payables and receivables denominated in foreign currency. Foreign subsidiaries with amounts owed from the UK operations at March 31, 2015 and December 31, 2014 (denominated in British Pounds) are located in the Kingdom of Saudi Arabia. Foreign subsidiaries with amounts owed to the U.S. Corporate operations at March 31, 2015 and December 31, 2014 (denominated in Euros or British Pounds) are located in the Netherlands, France, and Greece. For the three months ended March 31, 2015 and the year ended December 31, 2014, these balances generated a foreign exchange loss of $ 2.8 million and $ 3.6 million, respectively. These amounts are included in other income (expenses) in the consolidated statements of operations.

Other Comprehensive Income (Loss)

Comprehensive income (loss) is defined as net income (loss) plus the changes in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Other comprehensive income (loss) refers to revenues, expenses, gains and losses that under U.S. GAAP are included in comprehensive income (loss), but excluded from net income (loss). Other comprehensive income (loss) consists solely of foreign currency translation adjustments.

Factoring of Accounts Receivable

The Company is party to accounts receivable factoring agreements with financial institutions in Europe whereby the Company may sell eligible accounts receivable. The Company accounts for these programs under ASC 860, Transfers and Servicing which requires that transferred assets have been isolated from the transferor, the transferee obtains the right to transfer or exchange the asset and the transferor does not maintain effective control over the transferred assets through an agreement that both entitles and obligates the transferor to repurchase or redeem the assets transferred in order to qualify as a sale. Some of the Company's factoring arrangements do not meet all of the criteria for sale accounting, thus those factoring arrangements are accounted for as secured borrowings (See Note 8 Borrowings).

Deferred Financing Costs

Costs incurred related to revolving lines of credit and non-revolving loans are expensed in the period in which they are incurred.

Share-based Compensation

The Company accounts for share-based compensation costs relating to share-based payment transactions in the consolidated financial statements at fair value over the requisite service period which is generally the vesting period.

NOTE 3 - BUSINESS COMBINATION

Leadcom Acquisition

In July 2014, the Company acquired the assets and select operating entities in Africa and Latin America from Leadcom Integrated Solutions Ltd. ("Old Leadcom") for total consideration of $ 33.5 million comprised of $ 24.6 million cash paid in 2014, $1.6 million paid in the period of three months ending March 31, 2015 and $ 7.3 million payable in monthly installments of approximately $ 0.4 million through 2016.

The following table represents the allocation of the purchase price to the assets acquired and liabilities assumed at the time of acquisition:

	USD in thousands
Assets acquired:	
Current assets	40,794
Property, plant and equipment	5,163
Intangible assets	49
Other identifiable intangible assets:	
Backlog	11,204
Customer relations	14,803
Trade name	6,233
Total assets acquired	**78,246**
Liabilities assumed:	
Current liabilities	19,733
Loans from banks	492
Accrued severance pay	567
Deferred income taxes	8,782
Total liabilities assumed	**29,574**
Bargain gain	**15,181**
Total purchase price	**33,491**

The amortization period for backlog is 1.5 – 5 years and for customer relations and trade name is 10 years.

NOTE 4 - DISCONTINUED OPERATIONS

In 2013, the Company made the decision to market and sell its interest in its fiber network operations in the northeastern United States (CapeNet, LLC (“CapeNet”)) (See Note 16 *Investment in Other Entities*). The Company’s investment in CapeNet was written down to $0.8 million and an impairment charge of $5.6 million was recorded and included in the loss from discontinued operations as of December 31, 2014. The discontinued business operation is included in the Americas region segment. In accordance with ASC 205-20, *Discontinued Operations*, the operating result of this operation has been classified as discontinued operations in the accompanying consolidated statements of operations for the three months ended March 31, 2015 and for the year ended December 31, 2014. In addition, assets and liabilities of these operations are presented as assets and liabilities of discontinued operations in the accompanying consolidated balance sheets as of March 31, 2015 and December 31, 2014. In January 2015, the Company sold its interest in the fiber network operations for a total of $ 0.8 million.

The revenue, gross margins, and pretax operating loss relating to the Company’s discontinued operations for the three months ended March 31, 2015 and the year ended December 31, 2014 are as follows:

	For the three months ended March 31, 2015	For the year ended December 31, 2014
	$	$
	(In thousands)	
Revenue	—	—
Gross margin	—	—
Expenses of discontinued operations (net of applicable taxes of $ 0 and $ 0, respectively)	—	(181)
Impairment loss	—	(5,600)
	—	(5,781)

NOTE 5 - ACCOUNTS RECEIVABLE

The Company is party to various long-term contracts for which significant revenues are recognized on the percentage-of-completion method. Certain of these contracts have large amounts of unbilled receivables associated with them and will be performed over a period of more than one year. As of March 31, 2015 and December 31, 2014, the Company had no receivables under retainage provisions outstanding.

The Company is party to a factoring agreement (the “Deutsche Bank AG Agreement”) with Deutsche Bank AG Finance (“DB”) whereby the Company’s Netherland subsidiary may sell its eligible accounts receivable to DB on a revolving basis up to a maximum of 8.0 million Euros and its eligible unbilled receivable on a revolving basis up to a maximum of 1.0 million Euros. Under the terms of the DB Agreement, accounts receivable are sold to DB with recourse at 65% of their face value and unbilled accounts receivables are sold to DB with recourse at 25% of their face value less interest of EURIBOR at 30 days plus 3.5% and a commission of 2,500 Euros per quarter. Transfers of accounts receivable were approximately 6.4 million and 7.2 million Euros (US$ 6.9 million and US$ 8.8 million) as of March 31, 2015 and December 31, 2014, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2015 and December 31, 2014, the Company had 2.6 million and 1.8 million Euros (approximately US$ 2.8 million and US$ 2.2 million) respectively, available under the DB Agreement.

The Company is party to a factoring agreement (the “Eurofactor Agreement”) with Eurofactor whereby the Company’s German subsidiary may sell its eligible accounts receivable to Eurofactor on a revolving basis up to a maximum of 2.5 million Euros. Under the terms of the Eurofactor Agreement, accounts receivable are sold to Eurofactor without recourse at 90% of their face value, less interest of EURIBOR at 90 days plus 4.25% and a commission of 0.25% with a minimum fee of 2,500 Euros per month plus a 2,500 Euro handling fee. Transfers of accounts receivable were approximately 0.8 million Euros (US$ 0.8 and US$0.9 million) as of March 31, 2015 and December 31, 2014, respectively. As of March 31, 2015 and December 31, 2014, the Company had 1.7 million Euros (approximately US$ 1.9 and US$ 2.1 million), respectively, available under the Eurofactor Agreement.

The Company is party to a factoring agreement (the “HSBC Agreement”) with HSBC FACTORING France (“HSBC”) whereby the Company’s French subsidiary may sell its eligible accounts receivable to HSBC on a revolving basis up to a maximum of 2.0 million Euros. Under the terms of the HSBC Agreement, accounts receivable are sold to HSBC with recourse at their face value less interest of EONIA plus 1.5% and a commission of 0.41%. Transfers of accounts receivable were approximately 0.8 million and 1.5 million Euros (approximately US$ 0.9 and US$ 1.9 million) as of March 31, 2015 and December 31, 2014, respectively, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2015 and December 31, 2014, the Company had 1.2 million and 0.5 million Euros (approximately US$1.3 and US$ 0.6 million), respectively, available under the HSBC Agreement.

The Company is party to a factoring agreement (the “Barclays Bank Agreement”) with Barclays Bank PLC, (“Barclays Bank”) whereby the Company’s Pakistan subsidiary may sell its eligible accounts receivable to Barclays Bank on a revolving basis up to a maximum of 160 million Pakistan Rupees. Under the terms of the Barclays Bank Agreement, accounts receivable are sold to Barclays Bank with recourse at 90% of the face value less interest of KIBOR at 30 days plus 3%. As of March 31, 2015 and December 31, 2014, respectively, Barclays Bank had advanced approximately 149.3 and 88.6 million Pakistan Rupees (US$1.5 and US$ 0.9 million), which is included within lines of credit on the consolidated balance sheets. As of March 31, 2015 and December 31, 2014, respectively, the Company had 10.7 and 71.4 million Pakistan Rupees (approximately US$ 0.1 and US$ 0.7 million) available under the Barclays Bank Agreement.

The Company is party to a factoring agreement (the “Askari Agreement”) with Askari Bank (“Askari”) whereby the Company’s Pakistan subsidiary may sell its eligible accounts receivable to Askari on a revolving basis up to a maximum of 150 million Pakistan Rupees. This amount includes a 70 million Pakistan Rupees revolving letter of guarantee sublimit. Under the terms of the Askari Agreement, accounts receivable are sold to Askari with recourse at their face value less interest of KIBOR at 90 days plus 3%. Transfers of accounts receivable were approximately 44.9 million Pakistan Rupees and 50 million Pakistan Rupees (approximately US$ 0.5 and US$ 0.5) as of March 31, 2015 and December 31, 2014, respectively, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2015 and December 31, 2014, the Company had 105.1 million Pakistan Rupees and 100 million Pakistan Rupees (approximately US$1.0 million and US$1.0 million), respectively, available under the Askari Agreement.

The Company is party to a factoring agreement (the “IFIS Agreement”) with Banca IFIS S.P.A (“IFIS”) whereby the Company’s Italian subsidiary may sell its eligible accounts receivable to IFIS on a revolving basis up to a maximum of 0.4 million Euros. Under the terms of the IFIS Agreement, accounts receivable are sold to IFIS with recourse at their face value less interest of EURIBOR at 90 days plus 4.8% and a commission of 0.19%. Transfers of accounts receivable were approximately 0.1 million Euros (approximately US$ 0.1 and US$ 0.2 million) as of March 31, 2015 and December 31, 2014, respectively, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2015 and December 31, 2014, the Company had 0.3 million Euros (approximately US$ 0.3 million), respectively, available under the IFIS Agreement.

The Company is party to a factoring agreement (the “Bankinter Agreement”) with Bankinter S.A., (“Bankinter”) whereby the Company’s Spanish subsidiary may sell its eligible accounts receivable to Bankinter on a revolving basis up to a maximum of 1.0 million Euros. Under the terms of the Bankinter Agreement, accounts receivable are sold to Bankinter without recourse at their face value less interest of EURIBOR at 12 months plus 4.0% and a commission of 0.5%. Transfers of accounts receivable were approximately 1.0 million and 0.8 million Euros (approximately US$1.0 million and US$1.0 million) as of March 31, 2015 and December 31, 2014, respectively. As of March 31, 2015 and December 31, 2014, the Company had zero and 0.2 million Euros (approximately US$ 0 million and US$ 0.2 million), respectively, available under the Bankinter Agreement.

Under the same Bankinter Agreement, the Company’s Spanish subsidiary may sell its eligible accounts receivable to Bankinter on a revolving basis up to a maximum of 0.5 million Euro. Under the terms of the Bankinter Agreement, accounts receivable are sold to Bankinter with recourse at 90% of the face value less interest of EURIBOR at 12 months plus 4% and a commission of 0.1%. As of March 31, 2015 and December 31, 2014, Bankinter had advanced approximately 0.3 million and 0.2 million Euros (approximately US$0.4 million and US$0.2 million), respectively, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2015 and December 31, 2014, the Company had 0.1 million and 0.3 million Euros (approximately US$ 0.1 million and US$ 0.4 million), respectively, available under this portion of the Bankinter Agreement.

The Company entered into a factoring agreement (the “Belfius Agreement”) with Belfius Commercial Finance (“Belfius”) whereby the Company’s Belgian subsidiary may sell its eligible accounts receivable to Belfius on a revolving basis up to a maximum of 2.0 million Euros in 2014. Under the terms of the Belfius Agreement, accounts receivable are sold to Belfius with recourse at 75% of their face value less interest of 8.5% and a commission of 0.12%. Transfers of accounts receivable were approximately 1.5 and 0.7 million Euros (approximately US$0.9 million) as of March 31, 2015 and December 31, 2014, respectively, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2015 and December 31, 2014, the Company had 0.5 and 1.3 million Euros (approximately US$0.5 and US$1.6 million), respectively, available under the Belfius Agreement.

The Company is party to a factoring agreement (the “Market Invoice Agreement”) with Market Invoice Limited (“Marketinvoice”) whereby the Company’s UK subsidiary may sell its eligible accounts receivable on Marketinvoice’s discounting platform to private investors on a revolving basis up to a maximum of 1.5 million Great British Pounds. Under the terms of the Marketinvoice Agreement, accounts receivable are sold to such private investors with recourse at a discount of their face value which is defined by Marketinvoice platform at the day of the transaction and as part of the bidding process less a seller fee and a listing fee of 15 Great British Pound for the transfer of each advance payment. Transfers of accounts receivable were approximately 1.5 and 1.2 million Great British Pound (approximately US$ 2.0 and US$ 1.8 million) as of March 31, 2015 and December 31, 2014, respectively, which is included within lines of credit on the consolidated balance sheets. As of March 31, 2015, the Company had no further availability under the Market Invoice Agreement. As of December 31, 2014, the Company had 0.3 million Great British Pound (approximately US$ 0.5 million), available under the Market Invoice Agreement.

The Company is party to a supply chain factoring agreement (the “Citibank Agreement”) with Citibank, (“Citibank”) whereby the Company’s UK subsidiary may sell its eligible accounts receivable under one of its contracts to Citibank on a revolving basis and with no limit. Under the terms of the Citibank Agreement, accounts receivable are sold to Citibank without recourse at their face value less base interest of 0.5% and a mark-up of 2.5%. Transfers of accounts receivable were approximately 0.5 million Great British Pound (approximately US$ 0.8 million) as of March 31, 2015.

The Company is party to a supply chain factoring agreement (the “Telefonica Agreement”) with Telefonica, (“Telefonica”) whereby the Company’s UK subsidiary may sell its eligible accounts receivable to Telefonica on a revolving basis and up to 1.0 million Great British Pound (approximately US$1.5 million). Under the terms of the Telefonica Agreement, accounts receivable are sold to Telefonica without recourse at their face value less base interest of 0.5% and a mark-up of 2.5%. Transfers of accounts receivable were approximately 0.3 million Great British Pound (approximately US$ 0.5 million) as of March 31, 2015.

NOTE 6—PROPERTY AND EQUIPMENT

At March 31, 2015 and December 31, 2014, property and equipment consisted of the following:

	March 31, 2015	December 31, 2014
	($ In thousands)	
Computer & electronics	**11,571**	12,252
Software	**5,808**	4,569
Machinery & equipment	**1,269**	1,362
Furniture and office equipment	**21,375**	22,210
Office building	**2,296**	2,574
Leasehold improvements	**1,408**	1,499
Vehicles	**9,949**	10,039
Property and equipment	**53,676**	54,505
Less: accumulated depreciation and amortization	**(33,064)**	(33,998)
Property and equipment, net	**20,612**	20,507

Property and equipment under capital leases amount to $ 8.8 million and $ 10.3 million as of March 31, 2015 and December 31, 2014, respectively. Accumulated depreciation for property and equipment under capital leases amounted to $ 5.3 million and $ 5.6 million, as of March 31, 2015 and December 31, 2014, respectively.

Depreciation and amortization expense related to property and equipment for the three months ended March 31, 2015 and the year ended December 31, 2014 was $ 2.5 million and $ 7.7 million, respectively.

NOTE 7—GOODWILL AND INTANGIBLES ASSETS

As of March 31, 2015 and December 31, 2014 intangible assets consisted of the following:

	March 31, 2015	December 31, 2014
	($ In thousands)	
Goodwill		
Other intangible assets:	**3,443**	3,443
Customer relationships	**33,887**	33,933
Backlog	**11,533**	11,536
Trade names	**6,689**	6,689
Patents	**118**	118
Other	**195**	170
Total other intangible assets	**52,422**	52,446
Less: Accumulated amortization		
Customer relationships	**(10,792)**	(10,115)
Backlog	**(5,720)**	(5,093)
Trade names	**(765)**	(591)
Patents	**(108)**	(107)
Other	**(76)**	(76)
Accumulated amortization	**(17,461)**	(15,982)
Other intangible assets, net	**34,961**	36,464

The Company reviews its definite-lived intangible assets for impairment, in accordance with ASC 360, *Property, Plant, and Equipment.* The result of this review identified no impairment of the intangible assets as of March 31, 2015 or December 31, 2014.

Amortization expense related to intangibles was $1.5 and $7.4 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively. The weighted average amortization period for customer relationships is 12 years; 1 year for patents; 9 years for trade names; 2 years for other and 5 years in the aggregate.

The following summarizes expected amortization expense for each of the five succeeding years (In thousands):

	$
March 31, 2016	5,758
March 31, 2017	4,693
March 31, 2018	4,618
March 31, 2019	4,435
March 31, 2020	3,875
Thereafter	11,582
	34,961

NOTE 8 - BORROWINGS

Bridge Bank Financing Agreement

In September 2012, the Company's US domestic subsidiaries entered a two-year financing agreement with Bridge Bank, National Association ("Bridge Bank") which allows borrowing up to $15.0 million on the basis of eligible assets.

Eligible assets include 85% of the Company's US domestic subsidiaries' eligible accounts receivable, and 80% of eligible unbilled revenues. The facility accrues interest at a rate of Prime Rate plus 1.15% and Prime Rate plus 1.65% for the eligible accounts receivable and unbilled revenue borrowings, respectively. The financing agreement's collateral is limited to all assets of the Company's US domestic subsidiaries. LCC serves as a guarantor for the facility.

Bridge Bank Financing Agreement - Continued

In addition, the financing agreement provides a term loan of $1.5 million for working capital financing purposes. Interest accrues at a rate of Prime Rate plus 4.25%. The term loan requires monthly payments in the amount of $0.04 million through the maturity date. The term loan matures in June 2015, and can be repaid any time without penalty. As of December 31, 2014 the balance of the term loan was $1.3 million.

As of December 31, 2014, $18.4 million was drawn against the facilities. Total interest expense on these facilities approximated $ 0.2 million and $1.3 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively.

In March 2015, all amounts outstanding under the financing agreement with Bridge Bank were repaid in full.

Subordinated Shareholder Notes

The Company and LCCI, its wholly owned subsidiary, issued Subordinated Promissory Notes (the “Shareholders’ Notes”) to the Company’s then majority shareholders at various dates beginning in 2009. The proceeds from Shareholders’ Notes were used primarily to fund new acquisitions or strategic working capital needs.

In April 2014, the existing Shareholders’ Notes were restructured. The Company issued new secured promissory notes to its shareholders in the amount of $36.9 million with a maturity date of September 30, 2017.

Under the new secured promissory note agreements, interest of 10% is payable to the majority shareholders on a semi-annual basis commencing October 1, 2014. The Company, however, can elect not to make cash interest payments on the Shareholders’ Notes three times during the term of the promissory notes. In the event the Company elects not to make a cash payment for interest, all accrued and unpaid interest is added to the outstanding principal. The principal may be repaid any time without penalty.

At December 31, 2014, the outstanding balance of the Shareholders’ Notes was $ 42.6 million outstanding, carrying an annual interest rate of approximately 10%.

Total interest expense on the Shareholders’ Notes approximated $ 0.5 million and $ 4.2 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively.

In connection with the Tech Mahindra Acquisition (See Note 1 *Description Of Operations And Basis Of Presentation*), the outstanding principal and interest accrued on the Shareholder Notes were repaid in full.

Unsecured Credit Facilities

In March 2015, the Company entered into a $50.0 million uncommitted line of credit agreement with Citibank, N.A (“Citibank”) which allows borrowing up to $ 50.0 million until March 1, 2016. The facility accrues interest at a rate of LIBOR plus 0.75%. The facility is an unsecured facility. Tech Mahindra serves as a guarantor for the facility.

As of March 31, 2015, $ 50.0 million was drawn against the Citibank facility. Total interest expense on the facility was $ 0.04 million for the three months ended March 31, 2015.

In March 2015, the Company received a $ 40.0 million line of credit from JPMorgan Chase Bank, N.A. (“JPMorgan”) under which it can make borrowings until February 29, 2016. Each loan issued under the promissory note matures no later than twelve months from the date of the loan. The facility accrues interest at a rate of the greater of (i) the Prime Rate, (ii) Federal Funds Effective Rate plus 0.5%, (iii) the Eurodollar Rate for a one month period plus 1.0%. The facility is an unsecured facility. Tech Mahindra serves as a guarantor for the facility.

As of March 31, 2015, $ 26.0 million was drawn against the JPMorgan facility. Total interest expense on the facility was $ 0.01 million for the three months ended March 31, 2015.

Proceeds from the credit facilities with Citibank and JPMorgan were used to repay the Bridge Bank facilities and the Tech Mahindra Note.

Tech Mahindra Note

In connection with the Tech Mahindra Acquisition, the Company issued a $ 45.0 million unsecured promissory note to Tech Mahindra (“Tech Mahindra Note”), the proceeds of which were used to repay in full the $ 43.1 million principal and interest outstanding on the Shareholder Notes. The Tech Mahindra Note was repaid in full in March 2015 with the proceeds from the unsecured credit facilities.

The aggregate maturities of all borrowings as of March 31, 2015 are as follows (In thousands):

	$
2016	93,841
2017	400
2018	148
2019	91
Thereafter	19
	94,499

As of March 31, 2015 and December 31, 2014, the total outstanding borrowings, as discussed above, are as follows:

	2015	2014
	($ In thousands)	
Bridge Bank loan	**—**	18,365
Citibank line of credit	**50,037**	—
JP Morgan line of credit	**26,013**	—
Accounts receivable factoring arrangements (See Note 5)	**12,250**	16,014
Shareholder notes	**—**	42,580
Other credit facilities	**6,199**	4,391
	94,499	81,350

In July 2014, in consideration for the Company's purchase of Old Leadcom, as described in Note *3 Business Combinations*, the Company is obliged to pay the remaining $ 9.2 million of the purchase price to the seller of Old Leadcom of which the remainder in equal monthly installments of $ 0.4 million between 2015 and 2016. As of March 31, 2015, $ 7.3 million of this obligations is outstanding.

NOTE 9 - RESTRUCTURING CHARGE

During the three months ended March 31, 2015, the Company's French subsidiary continued a restructuring plan established during 2013 and recorded restructuring charges totalling $ 0.02 million as a result of staff reductions.

During the year ended 2014, the Company's Italian, French, and Greek subsidiaries recorded restructuring charges totaling $ 0.4 million as a result of staff reductions.

A reconciliation of the restructuring activities for the years ended December 31 is as follows:

	Severance	**Facilities and Other Non- Headcount Related Items**	**Total**
	($ In thousands)		
Accrued restructuring as of January 1, 2014	—	858	858
Restructuring charge	380	12	392
Charges against the provision:			
Payments for excess office space, net of sublease income	—	(296)	(296)
Payments for severance Other	(380)	—	(380)
Accrued restructuring as of December 31, 2014	—	574	574
Restructuring charge	2	—	2
Charges against the provision:			
Payments for excess office space, net of sublease income	—	(50)	(50)
Payments for severance	(2)	—	(2)
Other	43	—	43
Accrued restructuring as of March 31, 2015	**43**	**524**	**567**

At March 31, 2015 and December 31, 2014, the accrued restructuring was classified as follows:

	March 31, 2015	December 31, 2014
	($ In thousands)	
Accrued restructuring, current	**214**	208
Accrued restructuring, noncurrent	**353**	366
	567	574

NOTE 10 - INCOME TAXES

The Company files a consolidated federal income tax return which includes all of its US subsidiaries. The Company has subsidiaries that file tax returns in several foreign jurisdictions. The Company and its subsidiaries also file tax returns in local tax jurisdictions in many of the countries in which they do business. The Internal Revenue Service has completed examinations of the Company's U.S. income tax returns through 2003. Many of the Company's subsidiaries' tax returns have been examined through various dates. Generally, the Company is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ending December 31, 2010 to 2013. In addition, the Company is currently open to audit under the statute of limitations in various foreign jurisdictions for the tax years between 2006 and 2013.

The provision for income taxes for the three months ended March 31, 2015 and December 31, 2014 consisted of the following:

	2015	2014
	($ In thousands)	
Current:		
Federa	**—**	1,703
State and local	**44**	32
Foreign	**2,631**	4,035
Deferred:	**2,675**	5,770
Federal	**—**	—
State and local	**—**	—
Foreign	**(1,473)**	(1,475)
	(1,473)	(1,475)
Total	**1,202**	4,295

Deferred income taxes, net includes the following components as of March 2015 and December 31, 2014:

	2015	2014
	($ In thousands)	
Gross deferred tax assets	**30,652**	33,678
Less: valuation allowance	**(25,905)**	(29,810)
Deferred tax assets, net of valuation allowance	**4,747**	3,868
Gross deferred tax liabilities	**(9,885)**	(10,241)
Net deferred tax liabilities	**(5,138)**	(6,373)

The Company's deferred tax assets are primarily comprised of net operating losses of $ 25.3 and $18.5 million at March 31, 2015 and December 31, 2014, respectively. The Company's deferred tax liabilities are primarily comprised of intangible asset amortization.

The primary component giving rise to the Company's net deferred tax liability noted above is $ 7.4 million of deferred tax liabilities resulting from the inclusion of the Leadcom Group which was acquired during the year ended December 31, 2014.

The Company has U.S. operating loss carry-forwards of $ 52.1 million, which expire beginning in 2029. The Company also has $13.9 million of foreign net operating loss carry-forwards, some of which expire beginning in 2023 and some of which can be carried forward indefinitely, subject to certain restrictions. In addition, the Company had foreign tax credit carry-forwards of $1.1 million for foreign tax purposes that do not expire.

Foreign income tax expense is generated from business conducted in countries where the Company has subsidiaries or has established branch offices or has performed significant services that constitute a “permanent establishment” for tax reporting purposes. Foreign income tax also includes withholding tax on projects in countries where the Company does not have a registered presence.

The Company has made no provision for deferred U.S. income taxes or additional foreign taxes on any unremitted earnings of its controlled foreign subsidiaries because the Company considers these earnings to be permanently reinvested.

In determining the income tax valuation allowances, management considers whether it is likely that some portion of the deferred tax assets will be realized. Based on the Company’s financial results for the three months ended March 31, 2015 and the year ended December 31, 2014, projected future taxable income and tax planning strategies, the Company increased (decreased) its valuation allowance on foreign and domestic net operating loss carry-forwards and other deferred tax assets by $(3.9) million and $(0.8) million during the three months ended March 31, 2015 and the year ended December 31, 2014, respectively.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods when the benefit remains available and in those countries where the tax assets can be used.

NOTE 11 - OTHER CURRENT LIABILITIES AND ACCRUED EXPENSES

At March 31, 2015 and December 31, 2014, other current liabilities consisted of the following:

	March 31, 2015	December 31, 2014
	($ In thousands)	
Lease liability, current portion	**1,550**	1,930
Other	**377**	721
Other current liabilities	**1,927**	2,651

NOTE 12 - SHAREHOLDERS’ EQUITY

In August, 2012 the Company amended the 2010 Stock Incentive Plan and granted stock appreciation rights (“SARs”) to certain members of the Company’s executive management team. The SARs will vest fully on the third anniversary of the grant date and expire on the fifteenth anniversary of the grant date. The fair value of the SARs issued to management was prepared by a third party valuation consultant using the discounted cash flow method. Significant assumptions used in the valuation were management’s cash flow forecasts, weighted average cost of capital of 19.5% and discount for lack of marketability of 30%. The fair value of the SARs issued to management was $ 0.4 million and is being expensed over the three-year service period. The expense recorded for the three months ending March 31, 2015 and the year ended December 31, 2014 was $1.0 million and $ 0.1 million, respectively.

In connection with the Tech Mahindra Acquisition, all of the Company’s employees holding SARs surrendered them in exchange for a payment by the Company of $1.1 million.

In May 2014, the Company issued 2,625,001 common shares to shareholders and a minority shareholder in exchange for cash proceeds of $12.6 million. In June 2014, the Company issued 3,543,251 common shares to majority shareholders and minority shareholders in exchange for cash proceeds of $17.0 million. In August 2014, the Company issued 943,396 common shares to a new shareholder in exchange for cash proceeds of $5.0 million.

During 2014, the Company purchased the minority interest of a majority-owned subsidiary for approximately $1.0 million which was recorded as a reduction to paid in capital within the statements of shareholders’ equity.

In January 2015, Tech Mahindra purchased all of the Company’s outstanding common stock for a purchase price of $171.7 million (See Note 1 - *Description of Operations and Basis of Presentation).*

As of December 31, 2014 and March 31, 2015, there were 30,000,000 common shares authorized and 25,312,965 shares issued and outstanding.

NOTE 13 - HEALTH AND RETIREMENT PLANS

The Company has a defined contribution profit sharing plan under Section 401(k) of the Internal Revenue Code that provides for voluntary employee contributions of up to 60% of compensation for the Company’s US employees. After six months of employment, the Company makes a matching contribution of 25 cents for every dollar of an employee’s contribution up to 6.0% of each employee’s compensation. The Company’s contributions and other expenses associated with the plan for the three months ended March 31, 2015 and year ended December 31, 2014 were approximately $ 0.1 million and $ 0.3 million, respectively.

The Company's foreign subsidiaries have various pension plans under local tax and labor laws. In most countries, the Company is obligated to make contributions to these plans and those contributions vary by country. Contributions and other expenses related to these plans were approximately $ 0.6 million and $ 2.5 million for the three months ended March 31, 2015 and the year ended December 31, 2014, respectively.

The Company's US group health benefits are self-insured for claims up to $ 0.2 million, per participant per plan year (individual stop loss). The Company carries reinsurance coverage for claims in excess of $ 0.2 million per participant, per plan year. It also carries aggregate reinsurance capped at approximately $ 4.5 million, depending on the number of participants during the year and actual monthly enrollments.

Characteristics of the Company's non-US health benefits vary by region.

NOTE 14 - RELATED PARTY TRANSACTIONS

As of December 31, 2014, $0.5 million was payable to B. Riley & Co., LLC ("BRC"), an affiliate of one of the Company's former shareholders prior to the Tech Mahindra Acquisition, for financial services provided to the Company during the year ended December 31, 2014. The payable was settled in connection with the Tech Mahindra Acquisition (see Note 1 - *Description of Operations and Basis of Presentation).*

As of December 31, 2014, the outstanding balance of the Shareholders' Notes was $ 42.6 million. The notes were repaid in full in connection with the Tech Mahindra Acquisition (see Note 8 - *Borrowings).*

During the three months ended March 31, 2015, in connection with the Tech Mahindra Acquisition, the Company issued the Tech Mahindra Note. The note was repaid in full with the proceeds from the Unsecured Credit Facilities (see Note 8 - *Borrowings).*

NOTE 15 - INVESTMENTS IN OTHER ENTITIES

In February 2011, the Company acquired 200,000 class A voting shares, a 20% interest, in CapeNet. The Company, under the terms of the operating agreement, was obligated to make certain capital contributions to CapeNet, due to which, it was determined that the Company was the primary beneficiary in CapeNet, which resulted in the Company fully consolidating the results of CapeNet. The investment resulted in $ 0.1 million of losses recorded for December 31, 2014.

In 2013, the Company made the decision to market and sell its investment in CapeNet and classify the net assets and operations as discontinued operations. During 2014, the Company recorded a $ 5.6 million impairment charge to record its investment in CapeNet at fair value of $ 0.8 million. In January 2015, the Company sold its interest in CapeNet for $0.8 million (see also Note 4 - *Discontinued Operations).*

In July 2014, the Company obtained a 49% interest in SARL Djazatech ("Djazatech"), an Algerian based holding company, holding a 100% interest of the shares of "LCC UK Algerie", an Algeria based operating telecommunications services company. Consideration for the equity interest consisted of cash consideration of $ 0.7 million, of which $0.3 million was paid in 2014 and $ 0.4 million was paid in 2015, and additional contingent consideration of $ 1.8 million based on the achievement of certain gross margin targets throughout four earn out periods, ending on December 31, 2014, 2015, 2016, and June 30, 2017. The Company accounts for this investment under the equity method and recognizes its 49% share of Djazatech's profits and losses. An equity loss of $ 0.02 million was recorded during the three months March 31, 2015. No equity in earnings (loss) was recorded as of December 31, 2014, as Djazatech operated at break-even for the year ended December 31, 2014. The Company advanced $0.5 million during the three months ended March 31, 2015 for working capital needs, which is recorded as an increase in the investment balance as of March 31, 2015.

NOTE 16 -

COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases office facilities, warehouses, vehicles and certain equipment under non- cancelable operating leases expiring on various dates over the next eight years. The lease agreements include renewal options and provisions for rental escalations and require the Company to pay for executory costs such as taxes and insurance. Some of the lease agreements also allow the Company to elect an early out provision by giving notice and paying certain lease termination penalties. Benefits associated with a rent abatement period and certain lease incentives or office facilities are reflected ratably over the period of the lease. For leases that have been terminated, the applicable portion of the benefit has been offset against the lease termination penalty.

Future minimum rental payments and receivables under non-cancelable operating leases, excluding executory costs as of March 31, 2015 are as follows:

	Rental Payable	Rental Receivables Under Subleases
	($ In thousands)	
2015	**6,585**	1,138
2016	**5,474**	1,164
2017	**3,701**	333
2018	**2,727**	—
2019	**1,413**	—
Thereafter	**8,600**	—
	28,500	2,635

Rent expense under operating leases was approximately $ 3.5 million and $ 10.2 million for the three months ended March 31, 2015 and year ended December 31, 2014, respectively.

Capital Leases

The Company leases office equipment, tools, and cars under non-cancellable capital leases expiring on various dates over the next three years.

Future obligations under capital leases commencing on April 1, 2015, are as follows:

	Minimum Lease Payments
	($ In thousands)
2015	1,972
2016	1,345
2017	519
2018	16
2019	11
Thereafter	—
	3,863
Less: Amount representing interest	(301)
	3,562

Legal Proceedings

The Company is a party to various litigation matters and claims that are normal in the course of operations and while the results of such litigation matters and claims cannot be predicted with certainty, the Company believes that it is not reasonably possible that the final outcome of such matters will have a material adverse impact on the consolidated financial position, results of operations or cash flows of the Company.

NOTE 17—GEOGRAPHIC INFORMATION

Revenues for the three months ended March 31, 2015 and the year ended December 31, 2014 and long-lived assets as of March 31, 2015 and December 31, 2014 attributed to geographic areas for the Company's continuing operations based on the location of the Company's customers are as follows:

Three months ended March 31,	2015 Americas	2015 EMEA	2015 Total
	($ In thousands)		
Revenues:			
From external customers			
Inter-segment revenues	28,413	69,624	98,037
	—	—	—
Total revenues	28,413	69,624	98,037
Total long-lived assets	34,575	29,093	63,668

Year ended December 31,	2014 Americas	2014 EMEA	2014 Total
	($ In thousands)		
Revenues:			
From external customers	130,585	246,229	376,814
Inter-segment revenues	—	—	—
Total revenues	130,585	246,229	376,814
Total long-lived assets	35,089	29,514	64,603

NOTE 18 - SUBSEQUENT EVENTS

The Company evaluated its financial statements for subsequent events through April 30, 2015, the date the financial statements were available for issuance.

SOFGEN HOLDINGS LTD

Board of Directors:
Alexander Dembitz (Chairman)
Jaiye Randle
Rohit Gandhi (appointed on 13 March 2015)
Vikram Narayanan Nair (appointed on 13 March 2015)

Registered Office:
229, Arch. Makarios III Ave.
Meliza Court, 4th Floor 3105,
Limassol Cyprus

Bankers
Bank of Cyprus Public Company Limited
UBS
CatalunyaCaixa

Independent Auditors:
PKF Savvides & Co Limited
Certified Public Accountants and Registered Auditors

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and unaudited consolidated financial statements of SOFGEN Holdings Ltd and its subsidiaries (the Group) for the period from 1 January 2015 to 31 March 2015.

Incorporation

The Company, SOFGEN Holdings Ltd, was incorporated in Cyprus on 27 May 2008 as a private limited liability company under the Cyprus Companies Law, Cap. 113.

Principal activity

The principal activity of the Group, which is unchanged from last year, is the provision of banking IT consulting services.

Review of current position, future developments and significant risks

The results of the business for the first quarter reflect two significant one-time charges. A charge was taken to write off the SaveTax intangible asset during the period and a provision was taken in relation to pension schemes for our Swiss operations. Should these exceptional one-time items be excluded, the financial performance of the business is in line with prior year.

The Board will continue to focus on initiatives to drive growth and profitability for the Group.

Results

The Group's results for the period are set out on pages herein. The net loss for the period is carried forward.

Share capital

There were no changes in the share capital of the Company during the period under review.

On 13th March 2015, the entire share capital of the Company was acquired by Tech Mahindra Limited.

Board of Directors

The members of the Group's Board of Directors as at 31 March 2015 and at the date of this report are presented on pages herein.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities of the Board of Directors.

Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

Independent Auditors

The Independent Auditors, PKF Savvides & Co Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Hive Management Services Ltd
Secretary

Limassol, 11 May 2015

Independent auditor's report on review of interim unaudited financial statements

To the Members of SOFGEN Holdings Ltd

Report on the consolidated financial statements

Introduction

We have reviewed the interim condensed consolidated financial statements of SOFGEN Holdings Ltd (the "Company") and its subsidiaries (together with the Company, the "Group") on pages herein which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 1 January 2015 to 31 March 2015. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union ('IAS34 Interim Financial Reporting`). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting'.

Restriction on Use and Distribution

This special purpose financial information has been prepared for purposes of providing information to Tech Mahindra Ltd to enable it to prepare the consolidated financial statements of the Group. As a result, the special purpose financial information is not a complete set of financial statements of SOFGEN Holdings Ltd in accordance with International Financial Reporting Standards and is not intended to give a true and fair view of the financial position of SOFGEN Holdings Ltd as of 31 March 2015, and of its financial performance, and its cash flows for the period then ended in accordance with International Financial Reporting Standards. The financial information may, therefore, not be suitable for another purpose.

Stavrous Stavrou
Certified Public Accountant and Registered Auditor
for and on behalf of
PKF Savvides & Co Limited
Certified Public Accountants and Registered Auditors

Limassol, 11 May 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2015 to 31 March 2015

	01.01.2015-31.03.2015 US$	2014 US$
Revenue	**11,484,517**	44,599,900
Cost of sales	**(10,137,514)**	(38,196,056)
Gross profit	**1,347,003**	6,403,844
Selling and distribution expenses	**(61,308)**	(104,745)
Administration expenses	**(1,002,473)**	(5,402,919)
Operating profit	**283,222**	896,180
Net finance income	**173,530**	465,727
Capitalized labour costs written off	**(5,976,321)**	-
Pension fund	**(1,133,681)**	-
(Loss)/profit before tax	**(6,653,250)**	1,361,907
Tax	**(24,420)**	(830,856)
Net (loss)/profit for the period/year	**(6,677,670)**	531,051
Other comprehensive income	**-**	-
Total comprehensive income for the period/year	**(6,677,670)**	531,051

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31 March 2015

	31.03.2015 US$	2014 US$
ASSETS		
Non-current assets		
Property, plant and equipment	**311,927**	275,939
Intangible assets	**4,025,135**	9,465,840
Available-for-sale financial assets	**88,634**	91,723
Deferred tax assets	**442,119**	440,615
	4,867,815	10,274,117
Current assets		
Inventories and work in progress	**4,905,101**	4,186,204
Trade and other receivables	**10,603,923**	9,746,661
Other Investments	**12,440**	15,414
Cash at bank and in hand	**1,200,494**	3,233,442
	16,721,958	17,181,721
Total assets	**21,589,773**	27,455,838
EQUITY AND LIABILITIES		
Equity		
Share capital	**1,556,552**	1,556,552
Share premium	**7,521,610**	7,521,610
Other reserves	**2,227,877**	(786,121)
Accumulated losses /retained earnings	**(6,487,785)**	189,885
Total equity	**4,818,254**	8,481,926
Non-current liabilities		
Borrowings	**3,354,808**	4,365,812
	3,354,808	4,365,812
Current liabilities		
Trade and other payables	**10,287,148**	8,984,329
Deferred income	**1,309,003**	1,833,012
Borrowings	**1,365,077**	3,264,573
Current tax liabilities	**455,483**	526,186
	13,416,711	14,608,100
Total liabilities	**16,771,519**	18,973,912
Total equity and liabilities	**21,589,773**	27,455,838

On 11 May 2015 the Board of Directors of SOFGEN Holdings Ltd. authorised these consolidated financial statements for issue.

Vikram Nair
Director

Alexander Dembitz
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2015 to 31 March 2015

	Share capital	Share premium	General revenue reserve	Advances from shareholder	Reserve for own shares	Translation reserve	Accumulated losses/ retained earnings	Total
	US$	US$	US$	US$	US$	US$	US$	US$
Balance at 1 January 2014	1,530,455	7,033,585	703,225		(69,229)	(134,605)	(254,243)	8,809,188
Comprehensive income								
Net profit for the year	-	-	-	-	-	-	531,051	531,051
Other comprehensive income								
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	-	-	-	(1,372,435)	-	(1,372,435)
Transactions with owners								
Issue of share capital	26,097	488,025	-	-	-	-	-	514,122
Sale of own shares	-	-	-	-	69,229	6,576	(75,805)	-
Other movements								
Transfer between reserves			11,118	-			(11,118)	-
Balance at 31 December 2014	1,556,552	7,521,610	714,343	-	-	(1,500,464)	189,885	8,481,926
Balance at 1 January 2015	1,556,552	7,521,610	714,343	-	-	(1,500,464)	189,885	8,481,926
Comprehensive income								
Net loss for the period	-	-	-	-	-	-	(6,677,670)	(6,677,670)
Other comprehensive income								
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	-	-	-	(513,390)	-	(513,390)
Transactions with owners								
Advances from shareholder	-	-	-	3,527,388	-	-	-	3,527,388
Balance at 31 March 2015	**1,556,552,**	**7,521,610**	**714,343**	**3,527,388**	**-**	**(2,013,854)**	**(6,487,785)**	**4,818,254**

CONSOLIDATED STATEMENT OF CASH FLOWS
Period from 1 January 2015 to 31 March 2015

	01.01.2015-31.03.2015 US$	2014 US$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	**(6,653,250)**	1,361,907
Adjustments for:		
Depreciation of property, plant and equipment	**26,327**	208,171
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	**(586,111)**	(914,639)
Amortisation of computer software	**7,107**	34,730
Amortisation of software development costs	**6,346**	973,625
Impairment charge - available-for-sale financial assets		105,056
Interest income	**(2,946)**	(17,207)
Interest expense	**48,078**	297,426
Cash flows (used in)/from operations before working capital changes	**(7,154,449)**	2,049,069
Increase in inventories	**(718,897)**	(2,346,652)
(Increase)/decrease in trade and other receivables	**(857,262)**	1,493,959
Increase in trade and other payables	**1,302,819**	967,659
Decrease in deferred income	**(524,009)**	(526,459)
Cash flows (used in)/from operations	**(7,951,798)**	1,637,576
Tax paid	**(95,123)**	(457,930)
Net cash flows (used in)/from operating activities	**(8,046,921)**	1,179,646
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of intangible assets	**-**	(1,732,822)
Payment for purchase of property, plant and equipment	**-**	(204,198)
Payment for purchase of available-for-sale financial assets	**-**	(37,270)
Proceeds from disposal of intangible assets	**5,439,243**	-
Change in other investments	**2,974**	126,862
Interest received	**2,946**	17,207
Net cash flows from/(used in) investing activities	**5,445,163**	(1,830,221)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	**-**	514,122
Advances from shareholders	**3,527,388**	(509,845)
Repayments of borrowings	**(3,180,799)**	
Proceeds from borrowings	**-**	2,208,153
Interest paid	**(48.078)**	(297,426)
Net cash flows from financing activities	**298,511**	1,915,004
Net (decrease) /increase in cash and cash equivalents	**(2,303,247)**	1,264,429
Cash and cash equivalents:		
At beginning of the period/year	**2,138,664**	874,235
At end of the period/year	**(164.583)**	2,138,664

The cash and cash equivalents include the following:

	31.03.2015 US$	2014 US$
Cash at bank and in hand	**1,200,494**	3,233,442
Bank overdrafts	**(1,365,077)**	(1,094,778)
	(164,583)	2,138,664

SUBSIDIARIES LIQUIDATED

a) **Nitor Global Solutions Limited (“Nitor”),** a 100 % subsidiary of erstwhile Satyam, had applied for voluntary liquidation during the year ended March 31, 2012 as per regulations applicable in the respective country. The outstanding receivables (net of payables) amounts from Nitor and the Company’s investment in Nitor have been fully provided for in the Company’s books of account. The Company, during the year ended March 31, 2014, received GBP 0.01 Million (₹ 5 Million) from the said liquidator towards part distributions to the equity shareholders. Accordingly, the Company’s investment in Nitor has been adjusted and provision has been revised to that extent. Further, Nitor has been dissolved and name has been struck-off from Registrar of Companies United Kingdom w.e.f. January 20, 2014. The Company has filed an application with RBI and the Company is still awaiting approval from RBI for writing off the investments from the books of accounts as of March 31, 2015.

b) **Mahindra Satyam Servicios DE Informatica S.R.L., Argentina** and **Mahindra Satyam Servicios DE Informatica Sociedad Anonima Cerrada, Peru** (100% subsidiaries of Tech Mahindra Servicos DE Informatica LTDA) during the year ended March 31, 2015 have been liquidated as per the laws of the respective countries and approval from RBI is pending.

c) **Satyam Computer Services Belgium, BVBA** (100% subsidiary of the company) had applied for voluntary liquidation and has been dissolved in accordance with Article 184 of the Companies Code applicable in the respective country (Belgium) on September 17, 2014. On liquidation, the Company has received ₹ 328 Million (EUR 4.23 Million) as proceeds of liquidation of said entity. TechM value of investment in the said entity (net of provision) before the liquidation was ₹ 316 Million and as the remittance received was ₹ 328 Million and hence the excess provision of ₹ 12 Million has been accounted under sundry balance written back under other income. The company has applied for RBI approval to write off the said investment which is yet to be received and hence the investments and provision for investments are not knocked off.

d) **Global ICT Investment Holdings Pte. Ltd (Global ICT)** - In September 2012, erstwhile Satyam had entered into a Subscription and Shareholders’ agreement with SBI Hong Kong Holdings Co. Limited to set up a Joint Venture in Singapore namely Global ICT Investment Holdings Pte. Ltd (Global ICT). Neither of the ventures has infused capital in it nor it has commenced its operations and Global ICT has been closed down in March 2015.

SUBSIDIARIES WHERE NO OPERATIONS HAVE COMMENCED

a) **TechM Canada Inc -** the Company has incorporated a 100% subsidiary in Canada namely TechM Canada Inc. However, neither any investment has been made by the company in the said subsidiary as at March 31, 2015 nor has commenced its operations.

b) **Tech Mahindra DRC SARLU** - On March 30, 2015, Company has incorporated 100% subsidiary as Tech Mahindra DRC SARLU in Congo DRC. As on March 31, 2015 neither any investment has been made by the company in the said subsidiary nor has commenced its operations.

TECH MAHINDRA FOUNDATION

Board of Directors

Mr. Keshub Mahindra

Mr. Anand G. Mahindra

Mr. Vineet Nayyar

Mr. Ulhas N. Yargop

Registered Office

Oberoi Gardens Estate, Chandivali

Off Saki Vihar Road,

Andheri (E)

Mumbai 400 072 India

Bankers

IDBI Bank Ltd.

Auditors

B. K. Khare & Company

Chartered Accountants

DIRECTORS' REPORT

Your Directors present their Tenth Annual Report of your Company for the year ended 31 March 2015.

FINANCIAL RESULTS

For the year ended March 31,	**2015** ₹	2014 ₹
Donations received	**32,31,33,359**	32,10,00,000
Interest received on investments	**6,50,67,685**	5,03,02,766
Expenditure on the objects of the Company	**29,04,38,969**	16,57,68,789
Corpus fund	**79,66,21,656**	73,79,26,656

STATE OF COMPANY AFFAIRS/REVIEW OF ACTIVITIES

Tech Mahindra's social initiatives are carried out by Tech Mahindra Foundation (TMF), its corporate social responsibility (CSR) arm.

TMF was set up in 2007, as a Section 25 Company (referred to as a Section 8 Company in the Companies Act, 2013). Since then, it has worked tirelessly towards the vision of 'Empowering through Education', establishing itself as a prominent CSR player within the Mahindra Group as well as a leading social organization at a national level. Your Company essentially works with children and youth from urban, disadvantaged communities in India. In the current year, it will reach out to as many as 80,000+ primary and 400,000+ secondary beneficiaries. Of these, at least 50% are girls/young women and 10% are people with disabilities. Your Company has also connected 10,000+ associates over 50,000+ hours with its beneficiaries through a robust corporate volunteering programme.

Tech Mahindra's social work is currently focused upon three areas – School Education, Employability and Technical Education. Of these, the initiatives under first two verticals are directly managed by your Company, and those under the last one are carried out through Mahindra Educational Institutions (MEI). In the current year, 2015-16, your Company is conducting 150+ projects at 10 locations in 9 states/union-territories of India. Your Company has forged long-term partnerships with government, non-government, corporate and institutional agencies. Many of its flagship initiatives under the education programme, such as the In-Service Teacher Education Institute, Toll-free Helpline for Government School Teachers and the Shikshak Samman Award Scheme, are run in close coordination with the government, while others are run with a network of 90+ partners across India.

The core values of all programmes of your Company are:

- 50% beneficiaries of CSR are girls/women
- empowerment of persons with disability
- corporate volunteering by associates of Tech Mahindra Limited

Highlights of 2014-15 include:

Employability:

- Close to 12,000 young women and men were trained under the SMART programme, with a placement rate of 70-80% across locations.
- SMART programme grew more than 100%, i.e. from 24 Centres in F.Y. 2013-14 to 51 in F.Y. 2014-15.
- SMART T was launched to train youth in specialized technical trades.

School Education:

- ARISE programme worked with more than 50 schools/centres across locations on four domains of school education – academic, infrastructural, social and organizational.
- In-Service Teacher Education Institute (ITEI) entered its second year of operations – a toll-free helpline for teachers of government schools was launched on Children's Day to handle queries on teaching and learning.
- Shikshak Samman programme, grew bigger, developing a cohort of 120+ teachers with demonstrated excellence in professional, humane teaching.

Volunteering:

- Volunteering programme took off at all the ten locations where your Company operates.
- About 9500 volunteers contributed close to 45,000 hours of volunteering.
- Your Company moved close to its vision of engaging at least 10% of Tech Mahindra's workforce in social initiatives.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes which will affect the company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no orders passed by the regulators or courts or tribunals which would impact the going concern status and company's operations in future.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants the Auditors of your Company, hold office up to the conclusion of the forthcoming Annual General Meeting of the Company and have given their consent for re-appointment. The shareholders will be required to elect auditors for the current year and fix their remuneration. Your Company has received a written confirmation from M/s. B. K. Khare & Co., to the effect that their appointment, if made, would be in conformity within the limits prescribed in Section 139 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. B. K. Khare & Co.,as the Auditors of the Company.

SHARE CAPITAL

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 5,00,000 comprising of 50,000 equity shares of Face Value ₹ 10/- each.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return as on the financial year ended 31st March, 2015 in Form No. MGT – 9 is forming part of the Board's report as "**Annexure 1**"

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Conservation of Energy: The operations of the Company are not energy-intensive and hence, the provisions are not applicable.

b) Research and Development: No amount was spent on Research and development during the year under review.

c) Foreign Exchange earnings and outgo: No amount was earned or expended in foreign exchange during the year under review.

DIRECTORS

As per Article 16 of the Articles of Association of the Company, all Directors retire at the ensuing annual general meeting and are eligible for re-appointment.

NUMBER OF MEETINGS OF BOARD

For the Financial Year 2014-15, the Company held Two meetings of the Board of Directors.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans/advances which are required to be disclosed in the annual accounts of the Company under Section 186 of the Companies Act, 2013 with the parent company – Tech Mahindra Limited.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The particulars of related party transactions in prescribed Form AOC -2 is annexed herewith as **"Annexure 2"**.

PARTICULARS OF EMPLOYEES AS REQUIRED BY RULE 5 (2) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES 2014

The Company had no employee who was in receipt of remuneration of ₹ 60,00,000 during the year ended 31 March, 2015 or ₹ 5,00,000 per month during any part of the said year.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134 (5) of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors have prepared the annual accounts on a going concern basis;

(v) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board takes this as an opportunity to thank the promoters of the Company for their faith and patronage.

For and on behalf of the Board

Place: Mumbai
Date : 25 May 2015

Keshub Mahindra
Chairman

Annexure - 1

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31 March 2015
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U85310MH2006NPL160651
2.	Registration Date	22-03-2006
3.	Name of the Company	Tech Mahindra Foundation
4.	Category/Sub-category of the Company	Public Ltd (Section 8 Company)
5.	Address of the Registered office & contact details	Oberoi Gardens Estate, Chandivali, Andheri (E), Mumbai - Maharastra, India - 400072 022-66882000
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Not Applicable as it is a Section 8 Company		
2			
3			

III. PARTICULARS

S. No.	Name And Address Of The Company	Cin/Gln	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Tech Mahindra Limited Gateway Building, Apollo Bunder, Mumbai-400001	L64200MH1986PLC041370	Holding	100%	Section 2(46)

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1)Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	50000	50000	100%	-	50000	50000	100%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total A (1)		**50000**	**50000**	**100%**	**-**	**50000**	**50000**	**100%**	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)Foriegn									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
Sub Total A (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+ (A)(2)	**-**	**50000**	**50000**	**100%**	**-**	**50000**	**50000**	**100%**	**-**
B. Public Shareholding									
(1)Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	**-**	**-**	**-**	**-**	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	**-**	**-**	**-**	**-**	-
Grand Total (A+B+C)	**-**	**50000**	**50000**	**100%**	**-**	**50000**	**50000**	**100%**	**-**

(ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Tech Mahindra Limited	50000	100%	NIL	50000	100%	NIL	NIL
	Total	**50000**	**100%**	**NIL**	**50000**	**100%**	**NIL**	**NIL**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)- NO CHANGE

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders: NOT APPLICABLE
(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		-	-	-	-	-
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	--	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	NIL	NIL	NIL	NIL	NIL
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	-	-	-	-	
	a) Fee for attending board /committee meetings	-	-	-	-	-
	b) Commission	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	Mr. Keshub Mahindra	Mr. Anand Mahindra	Mr. Vineet Nayyar	Mr. Ulhas N. Yargop	
	a) Fee for attending board /committee meetings	-	-	-	-	-
	b) Commission	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration To Key Managerial Personnel Other than Managing Director /Manager/ Whole time director– Not Applicable

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**CS**	**CFO**	**Total**
1	Gross salary	NIL	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify…	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	NIL	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no penalties / punishment / compounding of offences against Tech Mahindra Foundation and its Directors and Officers for the year ended on 31 March 2015.

For and on behalf of the Board

Place: Mumbai
Date : 25 May 2015

Keshub Mahindra
Chairman

Annexure - 2

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis: NIL**
   (a) Name(s) of the related party and nature of relationship:
   (b) Nature of contracts/arrangements/transactions
   (c) Duration of the contracts/arrangements/transactions
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any
   (e) Justification for entering into such contracts or arrangements or transactions
   (f) Date(s) of approval by the Board
   (g) Amount paid as advances, if any:
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. **Details of material contracts or arrangement or transactions at arm's length basis**

	Transaction No 1	**Transaction No 2**	**Transaction No 3**	**Transaction No 4**	**Transaction No 5**	**Transaction No 6**
(a) Name(s) of the related party and nature of relationship :	Tech Mahindra Limited Holding Company	Comiva Technologies Limited Fellow subsidiary Company	Tech Mahindra BPO Limited Fellow subsidiary Company	Tech Mahindra Business Services Limited Fellow subsidiary Company	Satyam Venture Engineering Services Pvt. Limited Fellow subsidiary Company	Mahindra Finance Limited Fellow Associate Company
(b) Nature of contracts/ arrangements/ transactions (c) Duration of the contracts / arrangements/ transactions	CSR Contribution as per Companies Act, 2013 for the FY 14-15	CSR Contribution as per Companies Act, 2013 for the FY 14-15	CSR Contribution as per Companies Act, 2013 for the FY 14-15	CSR Contribution as per Companies Act, 2013 for the FY 14-15	CSR Contribution as per Companies Act, 2013 for the FY 14-15	CSR Contribution as per Companies Act, 2013 for the FY 14-15
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	CSR Contribution as per Companies Act, 2013 Value - ₹ 2,61,122,753	CSR Contribution as per Companies Act, 2013 Value - ₹ 4,100,001	CSR Contribution as per Companies Act, 2013 Value - ₹ 13,320,000	CSR Contribution as per Companies Act, 2013 Value - ₹ 21,829,260	CSR Contribution as per Companies Act, 2013 Value - ₹ 6,761,345	CSR Contribution as per Companies Act, 2013 Value - ₹ 16,000,000
(e) Date(s) of approval by the Board, if any:	27-Jun-14	27-Jun-14	27-Jun-14	27-Jun-14	27-Jun-14	27-Jun-14
(f) Amount paid as advances, if any:	NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board

Place: Mumbai
Date : 25 May 2015

Keshub Mahindra
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of Tech Mahindra Foundation

Report on the Financial Statements

1. We have audited the accompanying financial statements of Tech Mahindra Foundation("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Income and Expenditure for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act,read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, safeguarding the assets of the Company and prevention and detection of frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent;and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, and its deficit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As the Company is licensed under Section 8 of Companies Act, 2013 the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), does not apply to it as stated under Clause 2(iii) of the said Order.

10. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The Balance Sheet, the Statement of Income and Expenditure dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e. On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company did not have any long-term contracts including derivative contracts with any material foreseeable losses.

        iii. There were no amounts which required transfer to the Investor Education and Protection Fund by the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

R. D. Onkar
Partner
Membership Number-045716
Pune
Date: May 26, 2015

BALANCE SHEET AS AT MARCH 31, 2015

	Note	As at March 31, 2015 ₹	As at March 31, 2014 ₹
I. SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS:			
Capital	I	**5,00,000**	5,00,000
Corpus Fund	I	**79,66,21,656**	73,79,26,656
Surplus /(Deficit) in Income and Expenditure Account		**(2,29,877)**	(2,29,337)
TOTAL		**79,68,91,779**	73,81,97,319
Fixed Asset :	II		
i) Tangible Assets		**5,87,396**	5,90,964
ii) Intangible Assets		**21,002**	-
Net Block		**6,08,398**	5,90,964
CURRENT ASSETS, LOANS AND ADVANCES:	III		
Loans & Advances		**1,26,13,366**	1,16,32,039
Cash and Bank Balances		**78,40,59,639**	72,63,81,527
		79,66,73,005	73,80,13,566
Less : CURRENT LIABILITIES AND PROVISIONS:	IV		
Liabilities		**3,89,624**	4,07,211
		3,89,624	4,07,211
TOTAL		**79,68,91,779**	73,81,97,319
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	VII		

As per our attached report of even date

For B K Khare & Co.
Chartered Accountants

R.D. Onkar
Partner
M No . 45716

Place: Pune
Date: May 26, 2015

For Tech Mahindra Foundation

Keshub Mahindra
Director

Vineet Nayyar
Director

Ulhas Yargop
Director

Place: Mumbai
Date: May 25, 2015

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

	Note	**Actual March 31, 2015 ₹**	Actual March 31, 2014 ₹
INCOME	V	**32,95,06,044**	18,41,99,674
TOTAL		**32,95,06,044**	18,41,99,674
EXPENDITURE :			
Operating and Other Expenses	VI	**3,96,49,337**	2,18,17,936
Donation		**28,96,65,942**	16,22,73,534
Depreciation		**1,91,305**	50,042
TOTAL		**32,95,06,584**	18,41,41,512
(Deficit)/Excess of Income over Expenditure for the year		**(540)**	58,162
Balance carried forward from previous year		**(2,29,337)**	(2,87,499)
Excess of Income over expenditure/(Expenditure over income)		**(2,29,877)**	(2,29,337)
TOTAL		**32,95,06,044**	18,41,99,674
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	VII		

As per our attached report of even date

For B K Khare & Co.
Chartered Accountants

R.D. Onkar
Partner
M No . 45716

Place: Pune
Date: May 26, 2015

For Tech Mahindra Foundation

Keshub Mahindra
Director

Vineet Nayyar
Director

Ulhas Yargop
Director

Place: Mumbai
Date: May 25, 2015

NOTES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
NOTE I		
Corpus Funds		
Share Capital		
Authorised :		
50,000 Equity Shares of ₹ 10/- each fully paid-up	**5,00,000**	5,00,000
Issued, Subscribed & Paid up:		
50,000 Equity Shares of ₹ 10/- each fully paid-up	**5,00,000**	5,00,000
TOTAL	**5,00,000**	5,00,000
Specific Donations		
As per last Balance Sheet	**73,79,26,656**	55,06,76,656
Add : Received during the year	**5,86,95,000**	18,72,50,000
TOTAL	**79,66,21,656**	73,79,26,656

NOTE II: FIXED ASSETS

₹

		Gross Block				Accumulated Depreciation/Amortisation				Net Block	
		Cost as at April 01, 2014	Additions during the year	Deletions during the year	**Balance as at March 31, 2015**	As at April 01, 2014	For the year	Deductions during year	**Upto March 31, 2015**	**As at March 31, 2015**	As at March 31, 2014
a	**Tangible Assets**										
	Furniture and Fixtures	92,590	79,950	-	**1,72,540**	1,543	31,016	-	**32,559**	**1,39,981**	91,047
	Computers	2,48,482	82,600	-	**3,31,082**	9,061	97,025	-	**1,06,086**	**2,24,996**	2,39,421
	Office Equipment	2,95,209	21,800		**3,17,009**	34,713	59,877	-	**94,590**	**2,22,419**	2,60,496
	Total (a)	**6,36,281**	**1,84,350**	**-**	**8,20,631**	**45,317**	**1,87,918**	**-**	**2,33,235**	**5,87,396**	**5,90,964**
b	**Intangible Assets**										
	Software	4,725	24,389	-	**29,114**	4,725	3,387	-	**8,112**	**21,002**	-
	Total (b)	4,725	24,389	-	**29,114**	4,725	3,387	-	**8,112**	**21,002**	-
	Grand Total (a+b)	**6,41,006**	**2,08,739**	**-**	**8,49,745**	**50,042**	**1,91,305**	**-**	**2,41,347**	**6,08,398**	**5,90,964**
	Previous Year	-	6,41,006	-	**6,41,006**	-	50,042	-	**50,042**	**5,90,964**	-

		As at March 31, 2015 ₹	As at March 31, 2014 ₹
NOTE III			
CURRENT ASSETS, LOANS AND ADVANCES :			
(a) Loans and Advances :			
(Unsecured)			
Interest Accrued on Deposits		**15,58,787**	15,95,665
Balances with Government Authorities			
Tax Deducted at Source		**1,07,30,997**	95,90,533
Other Advances		**3,23,582**	4,45,841
		1,26,13,366	1,16,32,039
(a) Cash and Bank Balances :			
Balance with Scheduled banks :	(i) In Current accounts	**1,39,96,639**	97,68,062
	(ii) In Fixed Deposit accounts	**77,00,63,000**	71,66,13,465
		78,40,59,639	72,63,81,527
TOTAL		**79,66,73,005**	73,80,13,566
NOTE IV			
CURRENT LIABILITIES AND PROVISIONS:			
Dues to Small Scale Industrial Undertakings		**-**	-
Others		**3,89,624**	4,07,211
TOTAL		**3,89,624**	4,07,211

NOTES FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT

	Actual March 31, 2015 ₹	Actual March 31, 2014 ₹
NOTE V		
INCOME		
Interest on :		
Deposits with banks	**6,50,67,685**	5,03,02,766
Other Income	**-**	1,46,908
Donations Received	**26,44,38,359**	13,37,50,000
TOTAL	**32,95,06,044**	18,41,99,674
NOTE VI		
OPERATING AND OTHER EXPENSES		
Professional and Consultancy Fees	**2,92,21,895**	1,32,45,446
Bank Charges	**7,284**	2,506
Audit Fees	**56,180**	56,180
Printing & Stationery	**18,51,322**	9,97,688
Travelling & Conveyance	**9,99,396**	13,54,941
Books & Periodicals	**99,552**	26,415
Welfare Expenses	**28,392**	67,215
Software Expenses	**7,23,668**	1,62,000
Teacher's Award Function Expenses	**5,00,000**	4,49,108
Welfare Project Expenses	**7,73,027**	34,95,255
Seminars & Conferences	**2,15,500**	1,18,177
Telephone Expenses	**91,857**	29,091
Office & Miscellaneous Expenses	**50,81,264**	18,13,914
TOTAL	**3,96,49,337**	2,18,17,936

NOTE VII

Notes forming part of the Balance Sheet and Income Expenditure Account

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

1. **Significant accounting policies:**

   (a) **Basis for preparation of accounts:**

   The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") in India under historical cost convention and on accrual basis, and are in conformity with mandatory accounting standards, as prescribed under Section 133 of the Companies Act 2013 ("Act"), read with rule 7 of the Companies (accounts) Rules, 2014, and the provisions of the Act (to the extent notified).

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

   (b) **Revenue recognition:**

   Interest income is recognized on time proportion basis. Donations received with a specific direction from the donors that they shall form part of the income have been accounted for accordingly.

   (c) **Donations:**

   Donations received with a specific direction from the donors that they shall form part of the corpus have been accounted for accordingly.

   (d) **Fixed Assets including intangible assets:**

   Fixed assets are stated at cost less accumulated depreciation. Costs comprise of purchase price and attributable costs, if any.

   (e) **Depreciation / amortization of fixed assets:**

   (i) Depreciation on fixed assets is charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed as under based on technical advice, considering the nature of the asset, estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Computers and Project specific software	3 years
Furniture and Fixtures	5 years
Office Equipments	5 years

   (ii) Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

2. Donations received from Related parties and Associate Companies during the year 2014-15 and 2013-14

₹

Particulars	**2014-15**	2013-14
Specific Donations:		
Tech Mahindra Limited	**5,86,95,000**	18,72,50,000
Donations:		
Tech Mahindra Limited	**20,24,27,753**	13,37,50,000
Comviva Technologies Limited	**41,00,001**	
Tech Mahindra BPO Limited	**1,33,20,000**	
Tech Mahindra Business Services Ltd.	**2,18,29,260**	
Satyam Venture Engineering Services Pvt. Ltd.	**67,61,345**	
Mahindra Finance Limited	**1,60,00,000**	
Total	**32,31,33,359**	32,10,00,000

As per our attached report of even date

For B K Khare & Co.
Chartered Accountants

R.D. Onkar
Partner
M No . 45716

Place: Pune
Date: May 26, 2015

For Tech Mahindra Foundation

Keshub Mahindra
Director

Vineet Nayyar
Director

Ulhas Yargop
Director

Place: Mumbai
Date: May 25, 2015

MAHINDRA EDUCATIONAL INSTITUTIONS

Board of Directors:

Mr. Vineet Nayyar

Mr. C P Gurnani

Mr. Rakesh Soni

Mr. Milind Kulkarni

Registered Office:

Survey No: 62/1A,

Bahadurpally,

Jeedimetla,

Hyderabad – 500043,

Telangana,

India.

Bankers:

HDFC Bank

Kotak Mahindra Bank

Auditors:

M. Bhaskara Rao & Co.,

Chartered Accountants

DIRECTORS' REPORT

Your Directors present their Second Annual Report of your Company for the year ended 31st March 2015.

FINANCIAL RESULTS

Particulars		(in Rs)
For the year Ended March 31	**2015**	2014
Expenditure on the objects of the Company	**30,60,31,007**	2,94,95,515
Corpus fund	**9,66,00,000**	2,00,00, 000

REVIEW OF ACTIVITIES

The Company was formed as a section 25 company in the year 2013 under Companies Act 1956, as 100% subsidiary of erstwhile Mahindra Satyam. Consequent to the merger of Mahindra Satyam with Tech Mahindra, it has become wholly owned subsidiary of Tech Mahindra Limited. The Company was formed for the cause of promoting quality higher education by establishing institutions of higher learning, encourage education and research work in different disciplines and to promote innovation and technology development. As part of this objective, the Company has established a technical institution in Hyderabad, on 4th August 2014 named as Mahindra Ecole Centrale (MEC), to offer four year B. Tech Program from the academic year 2014-15 in association with Ecole Centrale, Paris and industry-academia MOU with Jawaharlal Nehru Technological University Hyderabad.

MEC received very encouraging response from students to its admission process in the first year itself.

The First Industry – Academia interaction took place on 19th September 2014. MEC conducted workshop on Digital Manufacturing from April 13-15, 2015 under the auspices of Indo-French Centre for Promotion of Advanced Research (IFCPAR). Former President Sri APJ Abdul Kalam addressed MEC Faculty & Students on 14th May 2015 and released Annual magazine "MEC Rise".

Tech Mahindra Limited channels a part of its CSR expenditure through Mahindra Educational Institutions

There are no material changes during the year under review which will affect the company

There are no orders passed by the regulators or courts or tribunals which would impact the going concern status and company's operations in future.

Auditors

M/s. M. Bhaskara Rao & Co., Chartered Accountants, holds office upto the conclusion of ensuing Annual General Meeting of the Company. Your Company has received a written confirmation from M/s. M. Bhaskara Rao & Co., to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 139 of the Companies Act, 2013.

The Board recommends to the members for the re-appointment of M/s. M. Bhaskara Rao & Co., Chartered Accountants as the Statutory Auditors of the Company.

There were no qualifications in the Auditor's report for the FY 2014-15.

Fixed Deposits

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Share Capital

The Company has not issued any equity shares carrying differential rights, sweat equity shares, employee stock options nor provided money for purchase of its own shares by employees or by trustees for the benefit of employees during the financial year. The Company's paid up equity capital is ₹ 1,00,000 comprising of 10,000 equity shares of Face Value Rs 10/- each.

Loans/Advances

The Company has not accepted any deposits from the public or its employees during the year under review.

Directors

Pursuant to the provisions of section 152(6)(c) 0f the Companies Act 2013, Mr. Milind Kulkarni Director is liable to retire by rotation and being eligible offer himself for reappointment.

Meetings of the Board

The Company held a minimum of one board meeting in every quarter. During the year ended March, 2015 four Board Meetings were held on, May 13, 2014, September 19, 2014, November 29, 2014 and March 27, 2015. The intervening gap between the meetings was as prescribed under the Companies Act, 2013.

Related party transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The particulars of relate party transactions in prescribed Form AOC -2 **is annexed to this report as Annexure A**

Risk Management Policy

The Company risk management is forming part of the risk management framework adopted by the Holding Company, wherein the elements of risks are over viewed for the organisation as a whole including its subsidiaries.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure B**

Conservation of Energy, Technology Absorption and Foreign Exchange

The particulars prescribed as per Sec 134 (3) (m) of Companies Act 2013 read with Companies (Accounts) Rules 2014 made thereunder Rule 8.

a) Conservation of Energy: The operations of the Company are not energy-intensive and hence, the provisions are not applicable.

b) Research and Development: No amount was spent on Research and development during the year under review.

c) Foreign Exchange earnings and outgo:

Foreign Exchange Outgo	: Professional fee paid	- ₹19,788,041/-
	Travel Cost	- ₹ 665,015/-
Foreign Exchange Inflow	: Nil	

Particulars of employees as required by section 197 (12) of the Companies Act, 2013 and Rules framed thereunder

The Company had no employee who was in receipt of remuneration of not less than

₹ 60, 00,000 during the year ended 31st March, 2015 or not less than ₹ 5, 00,000 per month during any part of the said year.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed;

ii. They have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2015 and of the surplus of the Company for the year ended on that date;

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The annual accounts have been prepared on a going concern basis.

v. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

ACKNOWLEDGEMENTS

The Board takes this as an opportunity to thank all the stakeholders of the Company for their faith and patronage.

For and on behalf of the Board

Place: Hyderabad
Date : June 05, 2015

Vineet Nayyar
Chairman

Annexure A

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1 Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2015, which were not at arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship

1) Related Party: Tech Mahindra Ltd

Relationship: Holding company

2) Related Party: Mahindra &Mahindra Ltd

Relationship: Enterprise under same Management

(b) Nature of contracts/arrangements/transactions

Tech Mahindra Ltd : Receipt of Donations and Reimbursement of Expenses

Mahindra & Mahindra Ltd: Receipt of Donations

(c) Duration of the contracts / arrangements/transactions: FY 2014-15

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Donations Received	
Tech Mahindra Limited	274,116,454
Mahindra and Mahindra Limited	37,300,000
Expenses Reimbursed	
Tech Mahindra Limited	78,244,249

(e) Date(s) of approval by the Board, if any:

Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable.

(f) Amount paid as advances, if any: NIL

For and on behalf of the Board
Vineet Nayyar

Chairman

Annexure B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN: U80300TG2013NPL086878

ii) Registration Date : 09/04/2013

iii) Name of the Company: Mahindra Educational Institutions:

iv) Category / Sub-Category of the Company: Company limited by shares, Indian Non-Government Company

v) Address of the Registered office and contact details: Tech Mahindra Limited, Survey no. 62/1A, Bahadurpally, Jeedimetla, Hyderabad, Andhra Pradesh - 500 043

vi) Whether listed company : No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Education	854	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. N0	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held Applicable Section
1	Tech Mahindra Limited	L64200MH1986PLC041370	Holding	100

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual/ HUF									
h) Central Govt									
i) State Govt (s)									
j) Bodies Corp.	Nil	10000	10000	100		10000	10000	100	Nil
k) Banks / FI									
l) Any Other….									
Sub-total (A) (1):-									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other….	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)									
B. Public Shareholding									
1 Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
i) Individual shareholders holding nominal share capital in excess ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	**Nil**	**10000**	**10000**	**100**		**10000**	**10000**	**100**	**Nil**

(ii) **Shareholding of Promoters**

Sl no	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year		
		No. of shares	% of total shares of the company	%of shares pledged/shares encumbered to total shares	No. of shares	% of total shares of the company	%of shares pledged/shares encumbered to total shares
1	Tech Mahindra Limited	9800	99.99	NA	9800	99.99	NA
2	Tech Mahindra Limited jointly with Chander Prakash Gurnani	100	Negligible	NA	100	Negligible	NA
3	Tech Mahindra Limited jointly with Vineet Nayyar	100	Negligible	NA	100	Negligible	NA
Total		**10000**	**100**	**NA**	**10000**	**100**	**NA**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment /transfer /bonus/sweat equity etc.):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment /transfer /bonus/sweat equity etc.):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	200	Negligible	200	Negligible
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment /transfer / bonus/sweat equity etc.):	NA	NA	NA	NA
	At the End of the year	200	Negligible	200	Negligible

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**	
Indebtedness at the beginning of the financial year					
i) Principal Amount	NIL	NIL	NIL	NIL	NIL
ii) Interest due but not paid					
iii) Interest accrued but not due					
Total (i+ii+iii)	NIL	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year					
- Addition	NIL	NIL	NIL	NIL	NIL
- Reduction					
Net Change	NIL	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL	NIL
i) Principal Amount					
ii) Interest due but not paid	NIL	NIL	NIL	NIL	NIL
iii) Interest accrued but not due					
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify…	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	**-**	**-**	**-**	**-**	**-**
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors:

S l . no.	Particulars of Remuneration	Name of directors				Total Amount
	3. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	4. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key managerial Personnel			Total Amount
		CEO	Company secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	
4	Commission - as % of profit - others, specify…	-		-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

INDEPENDENT AUDITORS' REPORT

To
The Members of
Mahindra Educational Institutions

Report on the Financial Statements

We have audited the accompanying financial statements of **Mahindra Educational Institutions** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its surplus and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- This report does not include a statement on matters specified in paragraphs 3 and 4 of Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company, at present.

- As required by section 143(3) of the Act, we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with in the Report are in agreement with the books of account;
  - In our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
    - There are no pending litigations on or by the Company, the impact of which needs to be disclosed in the financial statements.
    - The Company did not have any material foreseeable losses relating to long-term contracts including derivative contracts.
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

for **M. Bhaskara Rao & Co.,**
Chartered Accountants
Firm Registration No. 000459S

Hyderabad, May 25, 2015

M. V. Ramana Murthy
Partner
Membership No.206439

BALANCE SHEET AS AT 31 MARCH 2015

(in ₹)

	Note	As at March 31, 2015		As at March 31, 2014	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	**100,000**		100,000	
Reserves and Surplus	4	**87,671,005**		(9,495,515)	
			87,771,005		(9,395,515)
Non Current Liabilities					
Other Long Term Liabilities	5	**2,320,000**		-	
Long Term Provisions	6	**3,164,760**		-	
			5,484,760		-
Current Liabilities					
Trade Payables	7	**59,375,508**		10,983,534	
Other Current Liabilities	8	**20,895,361**		148,324	
			80,270,869		11,131,858
Total			**173,526,634**		1,736,343
ASSETS					
Non Current Assets					
Fixed Assets	9				
Tangible Assets		**56,798,592**		-	
Long Term Loans and Advances	10	**617,096**		-	
Other Non Current Assets	11	**13,000,000**		-	
			70,415,687		-
Current assets					
Trade Receivables	12	**2,396,400**		-	
Cash and Bank Balances	13	**98,571,641**		1,574,685	
Short Term Loans and Advances	14	**1,140,898**		161,658	
Other Current Assets	15	**1,002,007**		-	
			103,110,946		1,736,343
Total			**173,526,634**		1,736,343
Corporate Information and Significant accounting policies	1 & 2				

Accompanying notes form an integral part of the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

for and on behalf of the board

M.V. Ramana Murthy
Partner

Vineet Nayyar	C P Gurnani	Milind Kulkarni
Director	**Director**	**Director**
DIN: 00018243	DIN: 00018234	DIN: 00012888

Hyderabad, May 25, 2015

Mumbai, May 25, 2015

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2015

(in ₹)

	Note	Year ended March 31, 2015		Period ended March 31, 2014	
Income					
Fee from Academic Services and Donations received	16	**304,921,760**		-	
Other Income	17	**1,675,767**		-	
Total			**306,597,527**		-
Expenses					
Operating expenses	18	**80,423,439**		24,276,018	
Employee Benefits Expense	19	**77,105,018**		1,614,486	
Depreciation and Amortization Expense	9	**15,691,511**			
Other expenses	20	**132,811,038**		3,605,011	
Total			**306,031,007**		29,495,515
Surplus / (Deficit) Before Tax			**566,521**		(29,495,515)
Tax Expense	30				
- Current tax			**-**		
- Deferred tax			**-**		
Surplus / (Deficit) for the year			**566,521**		(29,495,515)
Earnings per equity share of face value of ₹ 10 each					
Basic and Diluted - ₹	24		**57**		(3,195)
Corporate Information and Significant accounting policies	1 & 2				

Accompanying notes form an integral part of the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, May 25, 2015

for and on behalf of the board

Vineet Nayyar	C P Gurnani	Milind Kulkarni
Director	**Director**	**Director**
DIN: 00018243	DIN: 00018234	DIN: 00012888

Mumbai, May 25, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(in ₹)

	March 31, 2015	March 31, 2014
A. Cash flow from operating activities		
Surplus / (Deficit) before tax	**566,521**	(29,495,515)
Adjustments for		
Depreciation and Amortization Expense	**15,691,511**	-
Interest Income	**(1,218,459)**	-
Operating profit / (loss) before working capital changes	**15,039,573**	(29,495,515)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans and advances - Long Term	**(600,000)**	-
Trade Receivables	**(2,396,400)**	-
Loans and advances - Short Term	**(979,240)**	(161,658)
Adjustments for increase / (decrease) in operating liabilities:		
Long Term Provisions	**3,164,760**	-
Other Long Term Liabilities	**2,320,000**	-
Trade Payables	**48,391,974**	10,983,534
Other Current Liabilities	**20,747,037**	148,324
Cash generated from operations	**85,687,704**	(18,525,315)
Income Tax paid (Net)	**(17,096)**	-
Net cash flow from / (used in) operating activities	**85,670,608**	(18,525,315)
B. Cash flow from investing activities		
Capital Expenditure on Fixed Assets & Intangible Assets	**(72,490,103)**	-
Investments in Bank Deposits	**(83,000,000)**	-
Redemption or Maturity of Bank Deposits	**70,000,000**	-
Interest Received	**216,452**	-
Net cash flow (used in) investing activities	**(85,273,651)**	-
C. Cash flow from financing activities		
Proceeds from share allotment	**-**	100,000
Amounts received towards corpus fund	**96,600,000**	20,000,000
Net cash flow from financing activities	**96,600,000**	20,100,000
Net increase / (decrease) in cash and cash equivalents	**96,996,957**	1,574,685
Cash and cash equivalents at the beginning of the year	**1,574,685**	-
Cash and cash equivalents at the end of the year	**98,571,642**	1,574,685

Notes:

a. The Cash Flow Statement is prepared in accordance with the Indirect Method stated in the Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.

b. Notes on accounts form an integral part of the Cash Flow Statement.

Accompanying notes form an integral part of the financial statements

In terms of our report attached
for M. Bhaskara Rao & Co.
Chartered Accountants

M.V. Ramana Murthy
Partner

Hyderabad, May 25, 2015

for and on behalf of the board

Vineet Nayyar	C P Gurnani	Milind Kulkarni
Director	**Director**	**Director**
DIN: 00018243	DIN: 00018234	DIN: 00012888

Mumbai, May 25, 2015

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

Mahindra Educational Institutions ("the Company") as a Not-for-Profit Company with main objects to establish institutions of higher learning such as setting up of universities, colleges, academics and research institutes encouraging education and research work in different disciplines, to promote innovation and technology development, to collaborate and/or affiliate with other universities in india for the cause of promoting high quality higher education within India.

2. Significant Accounting Policies

2.1 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") /Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under historical cost convention.

2.2 Use of estimates

The preparation of the financial statements in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Tangible Fixed Assets and Intangible assets

Tangible fixed assets and intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage.

Capital work-in-progress: Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.4 Depreciation / amortization of fixed assets

Depreciation / amortisation on fixed assets is charged based on straight line method on estimated useful life based on Part C of Schedule II to the Companies Act 2013 except in respect of Library books which have been depreciated over 3 years based on their condition, usability etc., as per the technical estimates of the Management.

2.5 Impairment of Assets:

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

2.6 Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined Contribution Plan

The Company's contribution to provident fund is considered as defined contribution plan and charged as an expense as and when services are rendered by the employees.

Defined Benefit Plan

Compensated Absences

Liability towards compensated absences is provided on accrual basis considering the leave at the credit as at the year end

2.7 Revenue Recognition

Revenue in respect of fee income is recognised on accrual basis considering certainty of realisation.

Interest income on bank deposits is accounted on accrual basis.

Donations received are accounted as contributions to corpus fund or treated as revenue based on the directions from the donor.

2.8 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Income and Expenditure. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Income and Expenditure.

2.9 Leases

The Company's leasing arrangements are mainly in respect of operating leases for premises and building. The leasing arrangements range upto 99 years generally and are usually cancellable / renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the Statement of Income and Expenditure.

2.10 Taxes on Income

Current Tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Taxes: Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.11 Earnings Per Share

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors. For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

2.12 Provisions and Contingent Liabilities

A provision is recognized when the group 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 reliable estimate can be made. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2.13 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.14 Operating cycle

The Company adopts operating cycle based on 12 months period.

3. Share Capital

	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	Amount (in ₹)	Number of Shares	Amount (in ₹)
Authorised Capital				
Equity Shares of ₹ 10/- each	**10,000**	**100,000**	10,000	100,000
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10/- each	**10,000**	**100,000**	10,000	100,000
	10,000	**100,000**	**10,000**	**100,000**

3.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

	As at March 31, 2015		As at March 31, 2014	
Equity Shares of ₹ 10 each	Number of Shares	Amount (in ₹)	Number of Shares	Amount (in ₹)
Balance at the beginning of the period	**10,000**	**100,000**	-	-
Add: Allotted during the period	**-**	**-**	10,000	100,000
Balance at the end of the period	**10,000**	**100,000**	10,000	100,000

3.2 Rights, preferences and restrictions attached to equity shares

The equity shares of the Company having par value of ₹ 10/- per share rank pari passu in all respects including voting rights and entitlement to dividend. Repayment of the capital in the event of winding up of the Company will inter alia be subject to the provisions of Companies Act 2013, the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.

3.3 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at March 31, 2015		As at March 31, 2014	
Equity shares of ₹ 10 each fully paid held by Holding Company:	Number of Shares	Amount (in ₹)	Number of Shares	Amount (in ₹)
Tech Mahindra Limited (including Nil shares held by nominees (31.03.2014: 200 Shares))	**10,000**	**100,000**	10,000	100,000

3.4 Details of shares held by each shareholders holding more than 5% shares in the Company

	As at March 31, 2015		As at March 31, 2014	
Equity shares of ₹ 10 each fully paid	Number of Shares	% of Holding	Number of Shares	% of Holding
Tech Mahindra Limited (including Nil shares held by nominees (31.03.2014: 200 Shares))	**10,000**	**100%**	10,000	100%

4. Reserves and Surplus

(in ₹)

	As at March 31, 2015	As at March 31, 2014
Corpus Fund		
Opening balance	**20,000,000**	-
Add: Additions during the year	**96,600,000**	20,000,000
Closing Balance	**116,600,000**	20,000,000
Surplus in Statement of Income and Expenditure		
Opening Balance	**(29,495,515)**	-
Add: Surplus / (Deficit) for the period after tax	**566,521**	(29,495,515)
Closing Balance	**(28,928,994)**	(29,495,515)
Total	**87,671,005**	**(9,495,515)**
Others		
- Caution Deposit from students	**2,320,000**	-
Total	**2,320,000**	-
Long Term Provisions		
Provision for Employee Benefits		
Gratuity	**1,426,304**	-
Compensated Absences	**1,738,456**	-
Total	**3,164,760**	-

5. Trade Payables

Other than acceptances (Refer note 6.1)	**59,375,508**	10,983,534
Total	**59,375,508**	**10,983,534**

7.1 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the MSMED Act, 2006) claiming their status as micro or small enterprises. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management and the required disclosures are given below:

		As at March 31, 2015	As at March 31, 2014
a)	Principal amount remaining unpaid	**Nil**	Nil
b)	Interest due thereon	**Nil**	Nil
c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	**Nil**	Nil
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	**Nil**	Nil
e)	Interest accrued and remaining unpaid	**Nil**	Nil
f)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	**Nil**	Nil

8. Other Current Liabilities

(in ₹)

	As at March 31, 2015	As at March 31, 2014
Other Payables		
- Dues for capital assets	**3,835,918**	-
- Statutory payables	**59,443**	103,324
- Advance received from students	**17,000,000**	45,000
Total	**20,895,361**	**148,324**

9. Fixed Assets

	Gross Block (At Cost)			Accumulated Depreciation			Net Block	
	As at March 31, 2014	**Additions**	**As at March 31, 2015**	**Upto March 31, 2014**	**For the year**	**Upto March 31, 2015**	**As at March 31, 2015**	**As at March 31, 2014**
Tangible Assets								
Plant and Machinery	-	42,027,277	42,027,277	-	5,680,957	5,680,957	36,346,321	-
Office Equipment	-	16,794,275	16,794,275	-	1,074,574	1,074,574	15,719,701	-
Library Books	-	5,210,932	5,210,932	-	478,361	478,361	4,732,570	-
Total	**-**	**64,032,484**	**64,032,484**	**-**	**7,233,892**	**7,233,892**	**56,798,592**	**-**
Previous Year	-	-	-	-	-	-	-	-
Intangible Assets								
Software	-	8,457,619	8,457,619	-	8,457,619	8,457,619	-	-
Total	**-**	**8,457,619**	**8,457,619**	**-**	**8,457,619**	**8,457,619**	**-**	**-**
Previous Year	-	-	-	-	-	-	-	-
Grand Total	**-**	**72,490,103**	**72,490,103**	**-**	**15,691,511**	**15,691,511**	**56,798,592**	**-**
Previous Year	-	-	-	-	-	-	-	-

10. Long - Term Loans And Advances

(in ₹)

	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Security deposit	**600,000**	-
Advance Tax and Tax Deducted at Source	**17,096**	-
(Net of provisions ₹ Nil (31.03.2014: ₹ Nil))		
Total	**617,096**	-

11. Other Non Current Assets

Fixed Deposits having maturities of more than 12 months from the Balance Sheet date	**13,000,000**	-
Total	**13,000,000**	**-**

12. Account Receivables

Unsecured		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered good	**2,100,000**	-
Other debts (Considered good)	**296,400**	-
Total	**2,396,400**	-

13. Cash and Bank Balances

Cash and Cash Equivalents		
Balances with banks		
In current accounts	**98,571,641**	1,574,685
Total	**98,571,641**	**1,574,685**

14. Short - term loans and advances

Unsecured, considered good		
Loans and Advances to Employees	**375,094**	-
Prepaid expenses	**700,000**	-
Others	**65,804**	161,658
Total	**1,140,898**	**161,658**

15. Other Current Assets

Unsecured, considered good		
Interest Accrued on Bank Deposits	**1,002,007**	-
Total	**1,002,007**	**-**

(in ₹)

		Year ended March 31, 2015	Period ended March 31, 2014
16	**Fee from Academic Services and Donations Received**		
	- Fee from Academic Services	**90,105,306**	-
	- Donations received	**214,816,454**	-
	Total	**304,921,760**	**-**
17.	**Other Income**		
	Interest on Bank Deposits	**1,218,459**	-
	Miscellaneous income	**457,308**	-
	Total	**1,675,767**	**-**
18.	**Academic Expenses**		
	Student Scholarship	**10,000,000**	-
	Tution Fees	**974,400**	-
	Affiliation Fees	**17,088,810**	-
	ECP Charges	**49,788,041**	24,276,018
	Seminars and Conferences	**7,650**	-
	Laboratory expenses	**126,018**	-
	Research expenses	**1,944,182**	-
	Other expenses	**494,338**	-
	Total	**80,423,439**	**24,276,018**
19.	**Employee Benefits Expenses**		
	Salaries and wages	**71,483,189**	1,564,518
	Contribution to provident and other funds	**3,655,950**	-
	Gratuity	**1,426,304**	-
	Staff welfare expenses	**539,576**	49,968
	Total	**77,105,018**	**1,614,486**
20.	**Other Expenses**		
	Rent	**72,741,454**	-
	Rates and taxes	**11,187,520**	12,285
	Power and fuel	**2,947,036**	-
	Printing and Stationery	**1,687,138**	21,078
	Books and Periodicals	**650,815**	-
	Travelling and Conveyance	**3,498,613**	1,317,115
	Communication	**97,626**	-
	Marketing expenses	**10,291,760**	2,200,678
	Recruitment expenses	**98,595**	-
	Repair and Maintenance	**2,099,649**	-
	Security Charges	**2,103,920**	-
	General Office Expenses	**4,681,073**	-
	Legal and Professional Charges	**9,936,649**	50,000
	Catering expenses	**10,709,611**	-
	Bank Charges	**79,430**	-
	Miscellaneous expenses	**150**	3,855
	Total	**132,811,038**	**3,605,011**

(in ₹)

		Year ended March 31, 2015	Period ended March 31, 2014
20.	**Auditors Remuneration included under Legal and Professional Charges (Excluding service tax)**		
	- for statutory audit	**100,000**	50,000
	- for other services	**56,180**	-
	Total	**156,180**	50,000

21. Contingent liability - ₹ Nil (31.03.2014: ₹ Nil)

22. Capital and other commitments - ₹ Nil (31.03.2014: ₹ Nil)

23. Related Party Transactions

23.1. List of related party and relationships

Party Name	**Relationship**
Tech Mahindra Limited	**Holding Company**
Mahindra and Mahindra Limited	**Enterprise under the same management**

23.2 Related party transactions for the year ended March 31, 2015 are as follows:

	Year ended March 31, 2015	Period ended March 31, 2014
Issue of Shares		
Tech Mahindra Limited	**-**	98,000
Advance received		
Tech Mahindra Limited	**-**	20,100,000
Donations Received		
Tech Mahindra Limited	**274,116,454**	-
Mahindra and Mahindra Limited	**37,300,000**	-
Expenses Reimbursed		
Tech Mahindra Limited	**78,244,249**	10,761,767
Credit Balances at the end of the year		
Tech Mahindra Limited	**-**	10,761,767
Mahindra and Mahindra Limited	**-**	-

(in ₹)

24. Earnings Per Equity Shares	**Year Ended March 31, 2015**	**Period Ended March 31, 2014**
Net surplus after tax *(in ₹)*	**566,521**	(29,495,515)
Weighted average number of equity shares outstanding during the period *(in numbers)*	**10,000**	9,233
Face Value of Equity Shares - *(₹ per share)*	**10**	10
Basic and Diluted Earnings per Share * *(in ₹)*	**57**	(3,195)

* The Company has no dilutive instruments.

25. The Company is engaged in providing educational services. The production and sale of such services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under paragraph 5 (viii)(c) of general instructions for preparation of the statement of income and expenditure as per revised Schedule III to the Companies Act, 2013

26. Segment Reporting

The Company has only one primary business segment viz., of running educational institutions. Hence there are no reportable segments under Accounting Standard -17. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

27. Leases:

27.1 Rental expenses of ₹ 72,741,454 (31.03.2014: nil) has been charged to Statement of Profit and Loss in respect of cancellable operating lease.

27.2 The Company has entered into Operating Lease arrangement for land and buildings. The lease is non-cancellable for a period of 99 years from April 09, 2014.

	March 31, 2015	March 31, 2014
Future Minimum Lease Payments		
Not later than one year	**74,400,000**	-
Later than one year and not later than five years	**265,200,000**	-
Total	**339,600,000**	-
Lease payments recognised in the statement of Profit and Loss	**72,741,454**	-

28. Expenditure / Remittance in Foreign Currency (in ₹)

	March 31, 2015	**March 31, 2014**
Professional Fees paid	**19,788,041**	15,633,266
Travel Cost	**665,015**	-

29. There are no foreign currency exposures as on March 31, 2015 that have been hedged by a derivative instrument or otherwise.

30. Provision for current tax and deferred tax has not been made since the Income of Company is exempted U/s 12A of the Income Tax Act, 1961.

31. The Company was incorporated on April 09, 2013 and accordingly the previous year figures are for the period April 09, 2013 to March 31, 2014 and hence are not comparable.

32. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

for and on behalf of the Board

Vineet Nayyar	**C P Gurnani**	**Milind Kulkarni**
Director	Director	Director
DIN: 00018243	DIN: 00018234	DIN: 00012888

Mumbai, May 25, 2015

Tech Mahindra

Tech Mahindra Limited
Registered Office: Gateway Building,
Apollo Bunder, Mumbai – 400001 (Maharashtra)
India.

Tech Mahindra Limited
Corporate Office: Plot No.1,
Phase – III, Rajiv Gandhi Infotech Park,
Hinjewadi, Pune – 411057 (Maharashtra) India.
Tel.: +91 20 4225 0000
Fax : +91 20 4225 2501

www.techmahindra.com
investor.relations@techmahindra.com

www.sapprints.com